

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT ELECTRIC : DOCKET NO.: 22-43-EL
COMPANY D/B/A RHODE ISLAND ENERGY'S :
2023 RENEWABLE ENERGY STANDARD (RES) :
PROCUREMENT PLAN

ORDER

This matter is before the Public Utilities Commission (Commission) upon the Narragansett Electric Company d/b/a Rhode Island Energy's (Company) proposed 2023 Renewable Energy Standard (RES) Procurement Plan (2023 RES Plan) and the Company's proposed 2023 RES Charge and RES reconciliation for effect April 1, 2023.¹

For context, the Rhode Island RES, specifically, R.I. Gen. Laws § 39-26-4, requires the Company to obtain a statutorily established percentage of its energy supply from eligible renewable energy resources.² Under the RES regulations,³ the Company must submit an annual RES Procurement Plan detailing the Company's procedures for obtaining energy and Renewable Energy Certificates (RECs) in compliance with the statute.

For compliance year 2023, the Company is required to procure RECs equivalent to 23% of its load, 21% of which must come from New renewable energy resources.⁴ In their joint testimony, Company witnesses Rouland and Ruebenacker stated that he expected RECs obtained from projects under Long-Term Contracts and the Renewable Energy Growth Program to be sufficient to meet the 2023 obligation.⁵ However, they explained that the projected New REC supply has decreased due to the termination of a power purchase agreement between the Company and Gravel

¹ All filings submitted in this matter can be accessed on the Commission's website at <https://ripuc.ri.gov/Docket-22-43-EL> or at its offices at 89 Jefferson Boulevard, Warwick, RI during regular business hours.

² See generally R.I. Gen. Laws § 39-26-4.

³ 810-RICR-40-05-2.

⁴ Division's RES Procurement Plan Mem., at p. 1 (Mar. 10, 2023).

⁵ Rouland and Ruebenacker Test. at 9-10.

Pit Solar II, LLC, and reduced generation from an operational wind farm.⁶ The Company also noted that its LRS load in 2023 is forecasted to decrease by about 24% due to municipal aggregation.⁷ Overall, the Company expects that its new REC supply will exceed the RES obligation, but will not exceed allowable banking. The Company anticipates that its new REC supply will exceed the RES obligation plus allowable banking once the Revolution Wind Farm becomes operational in 2025.⁸

Because of the uncertainties in supply and demand, the Company proposed more flexibility in managing its portfolio than it had in the 2022 RES Procurement Plan. Specifically, to avoid an over-procurement of New RECs beyond which the Company could bank, under the 2022 plan, when the Company has more RECs than needed in the first three quarters of the year, it is required to sell the surplus. Instead, the Company proposes to have the flexibility to bank RECs up to its 30% New RES Obligation or sell the surplus. This type of flexibility would also use its discretion of whether to make quarterly REC sales based on its overall position in the year. The Company witnesses explained that the Company will first estimate each quarter and the compliance year's expected supply from required program purchases, compare it to the expected LRS New REC obligation, the allocation of banked RECs from the prior year, and determine if the REC supply and banked RECs will exceed the New RES requirement. The results of the analysis will guide the Company's decision of whether to buy or sell RECs in that quarter.⁹

On February 27, 2023, the Company submitted its proposed RES Charge and Reconciliation and requested a charge of \$0.00833/kWh for usage on or after April 1, 2023 through

⁶ *Id.* at 10:18-11:4. (Nov. 2, 2022).

⁷ *Id.* at 10:14-17.

⁸ Company's RES Procurement Plan Filing, Schedule 1, at p.3.

⁹ Ruebenacker Test. at 11-12.

March 31, 2024.¹⁰ The proposed RES Charge was designed (1) to recover from customers the estimated costs associated with the 2023 RES compliance year; (2) to credit customers the estimated over-recovery of costs for the 2022 RES compliance year; and (3) to recover from customers the final under-recovery of costs to prior RES compliance years through 2021.¹¹

On March 10, 2023, the Division of Public Utilities and Carriers (Division) submitted position memoranda on the proposed 2023 RES Plan, RES Charge, inclusive of the reconciliation of prior period costs and revenues.¹² The Division concluded that the Company's RES transaction methodology was reasonable and in ratepayers' best interest, and that the proposed RES Charge was also reasonable and calculated correctly. Accordingly, the Division recommended that the Commission approve each. At an Open Meeting on March 29, 2023, the Commission approved the Company's proposed 2023 RES Plan and RES Charge as filed.

Accordingly, it is hereby:

(25349) ORDERED:

1. The Narragansett Electric Company d/b/a Rhode Island Energy's 2023 RES Plan is approved as filed.
2. The Narragansett Electric Company d/b/a Rhode Island Energy's RES Charge of \$0.00833 per kWh is approved for effect April 1, 2023.

¹⁰ Company's RES Charge and Reconciliation Filing, at 1 (Feb. 27, 2023).

¹¹ *See id.* at 1-3.

¹² *See generally* Division's RES Procurement Plan Mem.; Division's RES Charge and Reconciliation Position Mem. (Mar. 10, 2023).

DECISION ON MARCH 29, 2023. WRITTEN ORDER ISSUED MAY 20, 2025.

PUBLIC UTILITIES COMMISSION

Donald T. Hewitt

Ronald T. Gerwatowski, Chairman

Original Authenry

Abigail Anthony, Commissioner

*John C. Revens, Jr., Commissioner

* Commissioner Revens is unavailable for signature due to his retirement.

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws §39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.