



August 4, 2025

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

RE: DOCKET NO. 25-16-NG – THE NARRAGANSETT ELECTRIC COMPANY
d/b/a RHODE ISLAND ENERGY’S ANALYSIS TO COMPLY WITH ENERGY
FACILITY SITING BOARD’S DECISION AND ORDER IN EFSB DOCKET NO.
SB-2021-04

Dear Ms. De La Rosa,

On behalf of the Rhode Island Office of Energy Resources (OER), I am submitting the following comments in response to the filing designated as 25-16-NG. In the Energy Facility Siting Board’s August 22, 2024 order, the EFSB directed Rhode Island Energy to “file with the Public Utilities Commission **a demand response/energy efficiency and electric heating conversion plan** (emphasis added) targeted specifically for Aquidneck Island with the objective of eventually eliminating the design-day peak hour capacity gap which has caused the gas capacity constraint on Aquidneck Island. Such plan shall include various scenarios and options targeting elimination of the capacity gap over four (4) alternative time periods. For each alternative, the Company should address consistency with least cost procurement and the Act on Climate. The Plan must be submitted to the Public Utilities Commission for review by June 1, 2025.”

In Rhode Island Energy’s (the company) filing, the company retained Energy and Environmental Economics (E3) to conduct analysis toward this goal of filing a plan with input and information provided by the company and modeled using E3’s familiarity with Rhode Island’s gas system and the current opportunity for demand reduction and decarbonizing technologies to achieve the order’s goal. The filed testimony and analysis do clearly demonstrate the extent and significance of the effort put forward. The company and E3 have conducted a review that is both informative and helpful to understand the scope of effort required to scale gas demand to a level consistent with the infrastructure capacity on Aquidneck Island. However, the company has not met the requirements of the order to produce a **plan** containing detailed explanations for the measures,



with associated costs and benefits, akin to those plans the company routinely puts forward. It is important that such a plan be put forward for consideration by the PUC, the Division of Public Utilities and Carriers, the Attorney General's office, and other relevant stakeholders to the EFSB proceeding and related PUC proceedings. OER further considers the company's determination that such a plan is unjustifiable – while understandable from the perspective of a plan being a ready to implement investment proposal – to be premature absent consideration in a stakeholder or commission led process.

OER recognizes the company's position that the costs of a targeted demand management program to reduce the capacity gap on Aquidneck **at the present time** faces numerous challenges related to realization of the required measure adoption and cost impacts to affordability. OER also recognizes that the capacity gap itself is a product of demand growth on the system which largely occurred prior to and outside of the current company's purview to control. Notwithstanding, the determination that a plan which would meet the EFSB's order is not justifiable precludes the consideration and review by the PUC and stakeholders to better understand the inputs, assumptions and results of the analysis. While the PUC, OER, stakeholders, and the company are concerned with the potential impacts to ratepayers, which need to be evaluated and considered as part of this overall process, the analysis in the filing does touch on several additional topics which OER would respectfully ask to consider and discuss, including, but not limited to:

1. The necessary adoption rate needed for achievement of the demand reduction
2. Incentive cost levels scaled to show potential uptake levels
3. The annual bill customer impacts showing whole year impacts from electrification and combined impact of heating and cooling potential
4. The ability of stakeholder convenings to foster discuss and explore efforts to drive measure adoption and appropriate sizing of incentives across the portfolio

The analysis and effort by the company and E3 models a particular set of offerings directed toward reduction of the capacity gap and rightly holds constant certain program and policy mechanisms in order to understand what a company-driven demand reduction program could achieve. Such a plan offering may not be fundamentally achievable at the present time but should instead serve to establish the baseline for discussion of changes or additions to policy mechanisms external to the company which would bring the portion of cost borne by the company and ratepayers into a cost-effective range.

Without appropriate consideration of a fully developed plan, the effort contemplated by the EFSB is not complete. As the company cites in this filing, the effort thus far has produced a



STATE OF RHODE ISLAND

**OFFICE OF
ENERGY RESOURCES**

*One Capitol Hill, 4th Floor
Providence, RI 02908
www.energy.ri.gov*

useful framework on which to base a more fully formed plan for consideration. Additionally, the State of Rhode Island continues to examine and explore how to address its wider climate goals, and while the capacity gap is not wholly tied to those goals, in OER's view there is significant overlap in the two efforts. Both the Future of Gas docket final report and the development of the Act on Climate 2025 Strategy Update are forthcoming, and both will likely provide additional perspective and input to enhance the development of a detailed plan, building off the considerable work the company has already done, to fully satisfy the EFSB's order.

OER respectfully recommends the PUC request the company to produce such a plan – incorporating the results of the 2025 Strategy Update and Future of Gas final report – in a reasonable timeframe for further consideration and examination among stakeholders.

Thank you,

William Owen
Energy Policy and Regulatory Manager
Rhode Island Office of Energy Resources