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August 10, 2025

Cynthia G. Wilson Frias
Chief of Legal Services
Rhode Island Public Utilities Commission
Via email at

Re: Docket 25-28-EL
IN RE: REQUEST FOR COMMENT ON OPTIONS
FOR MITIGATING WINTER PRICE VOLATILITY
FOR THE WINTER OF 2025-2026

NOTICE TO SOLICIT COMMENTS

Dear Attorney Wilson Frias,

On behalf of the George Wiley Center, we have carefully reviewed the Commission's invitation for comment on potential "options for mitigating winter price volatility for Winter 2025-2026" as well as R.I. Energy's responses to the PUC's Data Requests Set 1.

We support the Commission's effort to understand the potential benefits and downsides of various methods for winter bill impact reduction, such as those explored in the Notice to Solicit Comments and the Responses to Data Request Set 1. The volatility in the broader economy leading into the winter of 2025-2026 is intense and well-documented. Factors contributing to this volatility include the impact on U.S. consumers of dramatically increased tariffs, the uncertainty of the impact of interest rate adjustments made or deferred, and the ongoing political and military conflicts in the Middle East and elsewhere in the world, which directly affect energy costs. This broader volatility in the economy places utility consumers who already struggle to afford utility access during the winter months at a greater risk of being unable to sustain the "rate shock" described in the Notice to Solicit Comments. In addition, of particular concern to low-income utility consumers heading into the 2025-2026 heating season is the uncertainty about the availability of LIHEAP in the coming winter, both due to the administration's hostility to the appropriation and due to the termination of the staff who implement the program.

Suppose these factors collide in ways that cause energy costs to spiral upward, and are combined with the unavailability of the LIHEAP funds that low-income households rely upon. In that case, low-income Rhode Islanders will experience increased housing instability, and their health and safety will be placed in jeopardyas they confront higher heating costs during the winter that they cannot pay and for which they may not receive LIHEAP support.

The Commission is interrogating the advisability of instructing R.I. Energy to collect three discrete elements of utility cost over eight months rather than 12, thus removing those costs from consumers' winter-month bills:

- energy efficiency ("EE");
- long-term contracting for renewable energy recovery ("LTCRER"); and
- storm restoration cost recovery (often referred to as the "storm fund").

Recommendation 1: Prohibit any costs being added to the residential consumer bill due to the winter-months collection deferral.

Removing the three cost recovery elements from residential consumer bills during the winter months, when it is already known that electric rates will be higher *and* consumption is increased due to the heating season, seems prudent however it comes with risk to consumers as the deferred costs elevate their bills during the eight months into which the cost recovery would be concentrated. One strong recommendation is that no additional costs ("carrying costs", fees or interest associated with the deferral) be added to residential customer bills due to the deferral and alteration of the collection period from twelve months to eight months.

In similar circumstances addressing rate shock in the winter of 2024-2025, the Massachusetts Attorney General advocated that Massachusetts utilities forego any costs they might typically be able to charge due to deferral of costs from residential consumers' winter bills. (Mass AGO Comments February 2025 attached). Prohibiting additional costs to consumers associated with any deferral is very important should the Rhode Island PUC determine that EE, LTCRER and/or Storm Fund recovery charges should be deferred from customer bills during the winter of 2025-2026. Ensuring that the amounts recovered are not increased by any deferral fees or costs is critical to prevent the deferral from making matters worse for consumers when those charges come back on their bills in the spring with a divisor of eight months rather than twelve. No more than the principal amount of cost recovery already approved for EE, LTCRER and the storm fund should be billed to customers before and after the deferral period. By adopting this principle the PUC can ensure that residential customers are not paying additional fees added to the EE, LTCRER or storm fund in order to access the rate relief in the winter months.

Recommendation 2: For low-income eligible consumers, identify other funds to eliminate the need for these consumers to pay an elevated eight month recovery cost in each of the months when those charges are on the bill. For these low-income consumers, instead of deferring the costs from the winter bills and spreading the recovery over eight months (resulting in a higher per month costs in those months when collection does happens) continue the per month cost on the bill at a twelve month collection rate but remove the charges from the winter bills and replace that collection with other funds such as RGGI funds and/or the Hold Harmless credits referenced by R.I. Energy in their Comment.

The economic volatility factors highlighted above suggest that while it may be advisable to defer some utility costs during the winter heating months for all residential consumers, the Commission is encouraged to explore a more durable solution, identifying additional revenue sources such as Regional Greenhouse Gas Initiative "RGGI" funds (R.I.G.L. §23-82-6(a)(5)) or the Hold Harmless credits proposed by R.I. Energy to replace rather than defer these costs for the lowest income utility consumers. Ensuring that these costs are not just deferred during the peak winter months but permanently removed from the low-income consumers' bill through the application of other funds to replace the amount removed from the lowest-income utility consumers' bills during the winter months is more practical for low-income households. These low-income households will otherwise face higher bills, reflecting the return of the deferred costs to the consumer bill in the spring when many low-income consumers face potential utility termination of service at the conclusion of the winter shut-off moratorium. Returning these costs, concentrated into an eight month recovery period, on the consumer bill at the end of the winter moratorium may accelerate termination of service for some low-income households. Particularly if LIHEAP funds are unavailable or are reduced, real rate relief rather than winter-month cost deferral will be crucial for low-income consumers to make it through the 2025-2026 winter period and not be terminated from service due to increased utility debt at the conclusion of the winter shut-off moratorium.

Thank you for your review of these considerations and for launching this inquiry into how to best mitigate utility cost increases during the winter of 2025-2026 for the most vulnerable low-income utility consumers in Rhode Island.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on August 10, 2025, I sent a true copy of this document by electronic mail to the parties in the Docket Service List as of August 10, 2025.