



Division of Public  
Utilities and Carriers

# **RHODE ISLAND**

## **SENATE COMMISSION TO STUDY RENEWABLE ENERGY PROGRAMS**

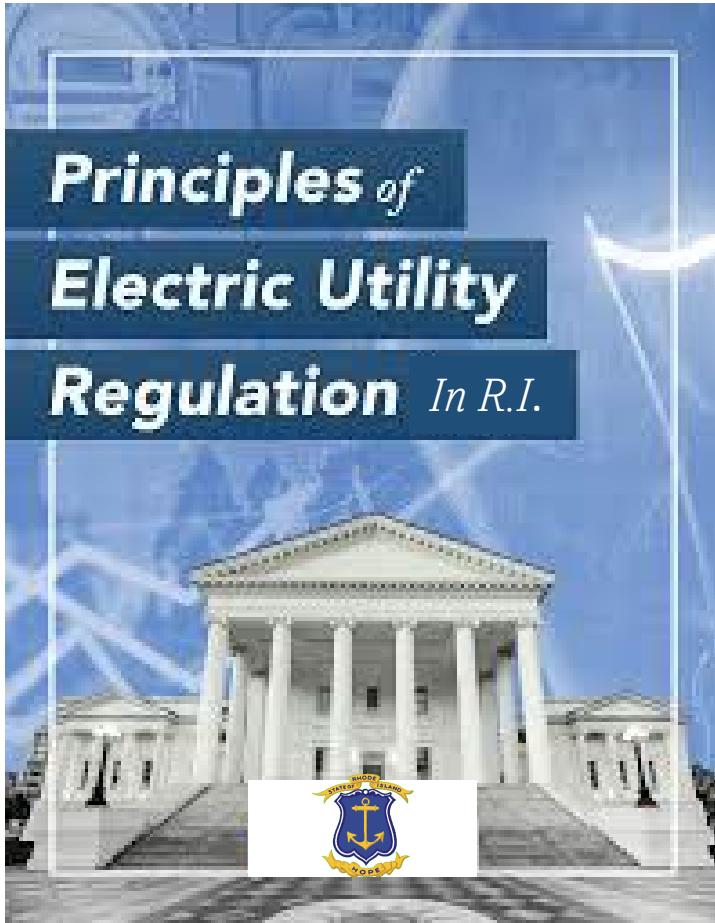
**May 29, 2025**



# Rhode Island Renewable Energy Programs

Updated May 28, 2025

# Two Agencies: Commission and Division



The PUBLIC UTILITIES COMMISSION, as it's collectively called, comprises two distinct and separate regulatory bodies:

**Commission:** 3-member rate-setting body led by a Chairman (Gerwatowski)

**Division:** Broad regulatory responsibilities, led by an Administrator (George)

# CURRENT RENEWABLE ENERGY PROGRAMS



- **Renewable Energy Standard, R.I. Gen. Laws § 39-26**
- **Long-Term Contracting, R.I. Gen. Laws § 39-26.1**
- **Renewable Energy Growth Program, R.I. Gen. Laws § 39-26.6**
- **Net Metering, R.I. Gen. Laws § 39-26.4**

# RENEWABLE ENERGY STANDARD (RES)

- Requires R.I. retail electricity suppliers (including Rhode Island Energy) to secure a minimum percentage of electricity from renewable resources.
- The 2025 requirement is 34% and escalates annually until reaching 100% in 2033.
- Obligated suppliers comply with the RES by: (1) buying and retiring Renewable Energy Certificates (RECs) with REC's representing 1 MWh of renewable energy; or (2) making alternative compliance payments (ACP) to Rhode Island Commerce Corporation.
- REC owners take credit for the clean energy characteristics of the electricity.
- Compliance costs are passed through to ratepayers in their power costs.

# RENEWABLE ENERGY STANDARD – COSTS

Estimated 2025 REC price - \$39.75/MWh

Estimated 2025 compliance cost - \$105 million

2020	2021	2022	2023	2024
\$ 43,075,461	\$ 47,129,663	\$ 52,174,080	\$ 63,405,870	\$ 81,016,222

# LONG-TERM CONTRACTING

## AFFORDABLE CLEAN ENERGY SECURITY ACT (ACES)

- Long-Term Contracting Statute requires RIE to solicit proposals from renewable energy developers and to enter into long-term contracts for a total of 90 MW of renewable energy capacity.
- With PUC approval, RIE can voluntarily enter into contracts *beyond* 90 MW.
- The Affordable Clean Energy Security Act authorizes RIE to enter into competitively bid multi-state procurements.
- Amended in 2022 to authorize state procurement of 600-1,000 MW of wind resources.
- RIE currently negotiating regional wind procurement with Mass.
- Revolution Wind 400 MW project currently under construction.

# Long-Term Contracting/ACES - Costs

- Ratepayers fund both programs
- \$43 million in 2024
- Cumulative cost (2014-2023) - \$389 million

2020	2021	2022	2023	2024
\$ 51,618,270	\$ 34,046,358	\$ 22,715,047	\$ 49,488,070	\$ 43,470,565

# RENEWABLE ENERGY GROWTH PROGRAM

- Supports development of smaller-scale projects (up to 5 MW). In 2023, the program expanded significantly, from 40 MW to 400 MW annually.
- Each year, the PUC sets the price cap and MW allocation for different-sized projects and technologies (wind, solar, hydro).
- Cap based on the projected cost to build a project, interconnect *and* allow the project owner to receive profits.
- Except for small-scale solar, projects are selected through a competitive bid process that includes price caps approved by the PUC.
- Winning bids must be at or below the price cap (ceiling price).
- Prices have historically trended downward. In 2022 and 2023, however, several categories of projects have seen price increases.

# Renewable Energy Growth Program – Costs

- Ratepayers fund this program
- \$30 million in 2024
- Cumulative ratepayer cost (2016-2024) – \$141 million

# NET METERING – 3 PROGRAMS

- Rooftop Solar – largest number of renewable projects in R.I.
- Virtual Net Metering (VNM) - virtually links member customers to a solar project
  - RIE does not directly compensate developers for their solar. Bottom line:
    - Project owners receive revenue based on a statutory formula.
    - Linked customers get a reduction on their bills.
  - Customers do not receive power or RECs from the renewable project.
  - Customers receive bill credits which create a discount on their electric service.
  - Ratepayers fund customer discounts and developers' revenue.
- Community Solar Pilot
  - Similar to VNM
  - Most participants are residential customers

## NET METERING — ABOVE MARKET COSTS

- Ratepayers fund this program
- \$111 million in 2024
- Cumulative ratepayer cost (2014-2024) - \$343 million

# RENEWABLE ENERGY PROGRAMS - COST TO RATEPAYERS

Narragansett Electric						
Annual Renewable Energy Program Costs						
	12-Mths			Estimated		
	ending 3/31	Calendar Year	Calendar Year	RES Compliance	Total	Cummulative
Year	RE Growth	LT Contracting	Net Metering	Cost	Annual Cost	Total
2014	\$ -	\$ 8,168,573	\$ 177,080	\$ 27,031,988	\$ 35,377,641	\$ 35,377,641
2015	0.00	11,601,804	551,915	23,318,233	35,471,952	70,849,593
2016	939,593	19,864,422	1,713,779	17,089,331	39,607,125	110,456,718
2017	2,281,826	43,496,658	3,149,512	10,674,301	59,602,297	170,059,014
2018	8,300,087	45,004,232	4,880,540	7,080,933	65,265,792	235,324,807
2019	12,930,003	59,027,877	18,822,783	29,561,113	120,341,776	355,666,583
2020	19,859,864	51,618,270	30,557,074	43,075,461	145,110,669	500,777,252
2021	21,045,299	34,046,358	36,032,809	47,129,663	138,254,129	639,031,381
2022	21,689,974	22,715,047	46,070,988	52,174,080	142,650,089	781,681,470
2023	24,104,456	49,488,070	92,218,200	63,405,870	229,216,596	1,010,898,066
2024	\$ 30,452,583	\$ 43,470,565	\$ 111,374,524	\$ 81,016,222	\$ 266,313,894	\$ 1,277,211,960
<b>Total</b>	<b>\$ 141,603,685</b>	<b>\$ 388,501,876</b>	<b>\$ 345,549,204</b>	<b>\$ 401,557,195</b>	<b>\$ 1,277,211,960</b>	
Updated 2/17/25						