

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

**THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a RHODE ISLAND ENERGY’S SOLICITATION : DOCKET NO. 25-31-EL
OF LONG-TERM CONTRACTS PURSUANT TO :
R.I. GEN. LAWS § 39-26.1-1 to 9 :**

REPORT AND ORDER

I. Summary

On August 29, 2025, The Narragansett Electric Company d/b/a National Rhode Island Energy (RI Energy or Company) filed with the Public Utilities Commission (PUC or Commission) a draft Request for Proposals (RFP) for approval pursuant to the Long-Term Contracting Standard for Renewable Energy, and in accordance with the “Rules and Regulations Governing Long-Term Contracting Standards for Renewable Energy (Rules),” promulgated by the Commission.^{1,2} The Company sought the Commission’s approval of the draft RFP as a reasonable, open, and competitive method of soliciting proposals for long-term contracts for renewable energy supply as well as Renewable Energy Certificates (RECs) and related attributes from eligible renewable energy projects of at least 20 megawatts (MW) each and up to 300 MW each of newly developed renewable energy resources. The RFP included the Company’s proposed method of solicitation, products being sought, eligibility requirements for bidders and facilities, threshold requirements, other minimum requirements, evaluation criteria, and a solicitation timetable. The RFP was based on the one approved in Docket No. 23-50-EL with some changes based on lessons learned.

¹ The Long-Term Contracting Standard requirements can be found in R.I. Gen. Laws § 39-26.1-1 to 9. The Commission’s regulations were adopted in accordance with R.I. Gen. Laws § 39-26.1-5(e) and codified at 810-RICR-40-05-1.

² All filings in this docket can be accessed on the PUC’s website at: <https://ripuc.ri.gov/Docket-25-31-EL> or at the PUC’s offices at 89 Jefferson Blvd., Warwick, RI 02888.

The PUC reviewed the proposed RFP, testimony from the Division of Public Utilities and Carriers (Division) witness Nicolas Baldenko, Reply Testimony from Company witness Evan Armstrong, and held a public hearing at which no members of the public provided comment and at which additional testimony from the parties' witnesses was elicited. Following the hearing, on December 4, 2025, the Company filed an amended RFP to include additional changes responsive to concerns raised at the hearing. On December 23, 2025, the PUC reviewed the amended proposed RFP and approved it as consistent with the Long-Term Contracting Standard law and PUC Rules.

II. Background

Under the Long-Term Contracting Standard, RI Energy is obligated to procure a minimum long-term contract capacity of 90 MW. As of August 29, 2025, RI Energy had executed contracts for approximately 72.3 MW of the minimum long-term contract capacity required by the Long-Term Contracting Standard. RI Energy is required by Section 5.3 of the Commission's Rules to solicit the remaining Long-Term Contracting Standard capacity, resulting from a terminated long-term contract, the equivalent of approximately 17.7 MW.³ RI Energy is not obligated to enter into contracts for any additional capacity above this obligation.⁴

The Company proposed to issue an RFP to procure the energy and RECs from eligible newly developed renewable resources with a nameplate capacity of at least 20 MW each and up to 300 MW each.⁵ The Company explained that the Company was voluntarily expanding the procurement capacity beyond the statutory minimum "to broaden the pool of eligible bidders."⁶

³ Amended RFP at 4 of 28.

⁴ R.I. Gen. Laws § 39-26.1-3(c)(1).

⁵ Amended RFP at 4 of 28.

⁶ *Id.* at 1.

The Company proposed several changes to the previously approved RFP, most of which the Division found reasonable. First, RI Energy removed the requirement that contracts be unit-contingent and instead requires contracts to be unit-specific (Section 2.2.2.3). Mr. Baldenko explained that this change allows contracted generators to sell a portion of their energy and RECs to other buyers while ensuring all contracted output is delivered from the designated facility, and it facilitates potential coordination with other states, something he found reasonable. Also, the Company added a requirement for bidders to identify specific environmental concerns and mitigation measures (Section 2.2.3.3) which Mr. Baldenko found to be appropriate. Additionally, RI Energy increased bid fees to better align with the cost of bid evaluation. On this issue, Mr. Baldenko advised that although the proposed fees are higher than those used in other regional clean energy procurements and may affect participation, the increase may reduce the risk of insufficient funding if bid volumes were limited. He also noted that RI Energy moved the Contract Risk factor from Stage 2 to Stage 3 of the evaluation process (Section 2.4). He found this reasonable because contract risks are difficult to quantify and are more appropriately considered qualitatively. He advised that RI Energy's updates and streamlined approach to the confidentiality provisions (Section 2.3) was reasonable.⁷

One issue where the Division raised concerns was with RI Energy's clarified interconnection requirements which they indicated would better align with the ISO-NE new Transmission Cluster Study process. That process limits the number of projects that could be considered under the proposed RFP due to new limitations on when ISO-NE will consider certain interconnection requests (Section 2.2.3.4). Mr. Baldenko initially recommended allowing bidders that have not yet submitted an interconnection request to describe plans for participation in a future

⁷ Baldenko Test. at 8-11.

cluster study, to expand the pool of qualified projects.⁸ In reply testimony, Company witness Evan Armstrong explained that while Mr. Baldenko’s proposal would expand the pool of eligible projects, it would create difficulty in assessing project viability, particularly where a project would be unable to identify cost or timelines related to future interconnection costs.⁹ After reviewing the Company’s reply, the Division submitted its own reply testimony in which Mr. Baldenko explained that although the concern with the limited number of eligible projects remained, the Company had provided a reasonable explanation that its emphasis on project viability and certainty of costs may minimize risks to ratepayers. Thus, the Division did not object to these changes.¹⁰

Finally, Mr. Baldenko noted that RI Energy clarified its authority to reject proposals with non-conforming pricing, even when submitted alongside a conforming bid (Section 2.2.4.2.2). He recommend that RI Energy return the bid fee for any otherwise eligible non-conforming alternative that is rejected without evaluation, which would encourage more robust alternative pricing proposals.¹¹ In his reply, Mr. Armstrong explained that regardless of the conformance of a bid, the Company still needs to perform the analysis which is partially covered by the bid fee. He also expressed concern that if the Company “makes bid fees nonrefundable for certain proposals but not others, this will compromise the integrity and fairness of the solicitation process.”¹² It was this rationale that caused Mr. Baldenko to accept the Company’s proposal.¹³

⁸ Baldenko Test. at 8-9.

⁹ Armstrong Reply at 5-10.

¹⁰ Baldenko Reply at 2.

¹¹ Baldenko Test. at 4.

¹² Armstrong Reply at 11.

¹³ Baldenko Reply at 2-3.

III. Commission Findings and Analysis

A. Standard of Review

The Long-Term Contracting Standard sets out the standard of review and criteria for the solicitation method and process, as well as the standard of review and criteria the Commission must use in deciding on long-term contracts for renewable energy resulting from such solicitation.¹⁴ The Commission's standard of review for procurements that exceed the statutory obligation is also guided by the System Reliability and Least Cost Procurement statute.¹⁵ Based on its review of the law, the terms of the proposed RFP, testimony by Division witness, Nicolas Baldenko, a consultant from Levitan Associates, and hearing testimony by the Company's witness, Evan Armstrong, the PUC makes the following findings.

1. The solicitation process is consistent with the Long-Term Contracting Act process requirements

The PUC must determine whether RI Energy has proposed a timetable and method for solicitation and execution of the contracts that are consistent with the Long-Term Contracting

¹⁴ R.I. Gen. Laws § 39-26.1-3(b).

The Commission shall approve a long-term contract for renewable energy if it determines that: (1) The contract is commercially reasonable, meaning that the terms and pricing are reasonably consistent with what an experienced power market analyst would expect to see in transactions involving newly developed renewable energy resources, the project has a credible operation date, as determined by the Commission, although a project need not have completed the requisite permitting process to be considered commercially reasonable; (2) the requirements for the annual solicitation have been met; and (3) the contract is consistent with the purposes of [R.I. Gen. Laws § 39-26-1].

The Long-Term Contracting Standard directs that no contract should be awarded unless its price is below the forecasted market price of energy and renewable energy certificates over the term of the proposed contract, using common industry standard forecasting methodologies as have been previously used by the Commission. In such solicitations, the electric distribution company may elect not to acquire capacity but shall acquire all environmental attributes and energy. Finally, as a condition of contract approval, the Commission must require that all approved projects, regardless of their location, provide other direct economic benefits to Rhode Island, such as job creation, increased property tax revenues, or other similar revenues, deemed substantial by the Commission. R.I. Gen. Laws §§ 39-26.1-3, 39-26.1-5(e).

¹⁵ Least cost procurement shall comprise system reliability and energy efficiency and conservation procurement as provided for in R. I. Gen. Laws § 39-1-27.7. It includes supply procurement as provided for in R.I. Gen. Laws § 39-1-27.8, as complementary but distinct activities. These activities have as a common purpose meeting electrical and natural gas energy needs in Rhode Island, in a manner that is optimally cost-effective, reliable, prudent, and environmentally responsible. R.I. Gen. Laws § 39-1-27.7.

Standard process requirements.¹⁶ RI Energy has proposed that it will issue the approved RFP, including associated forms and evaluate bids in consultation with the Rhode Island Office of Energy Resources and the Division. RI Energy is responsible for negotiation and execution of final contracts, if any. The solicitation schedule was set out in the initial RFP proposes a total schedule of just over one year from issuance of the RFP to submission of contract(s) for PUC approval.¹⁷

2. The solicitation will facilitate contracts that are consistent with the purposes of the Long-Term Contracting Act

The primary purpose of the Long-Term Contracting Standard is to encourage and facilitate the creation of commercially reasonable long-term contracts between electric distribution companies and developers or sponsors of newly developed renewable energy resources. Other purposes include stabilizing long-term energy prices, enhancing environmental quality, and creating jobs in Rhode Island in the renewable energy sector. Yet another purpose is to facilitate the financing of renewable energy generation within the jurisdictional boundaries of the state or adjacent state or federal waters or provide direct economic benefit to the State.

The approved RFP will enable the Company, and ultimately the Commission, to determine whether the resulting contracts are consistent with the purposes of the Long-Term Contracting Standard. The RFP generally describes the price and non-price evaluation criteria and metrics that will be used to evaluate bids and inform bidders about the relative weighting between the price (80%) and non-price (20%) factors. Following the first two stages of evaluation, the Company considers how to select the proposals that provide the greatest value consistent the objectives of the RFP and preferred projects will provide low cost renewable energy with limited risk and some

¹⁶ R.I. Gen. Law § 39-26.1-3(b).

¹⁷ RFP at Attachment 1.

degree of resource diversity.¹⁸ Following the final stage of review, the Company will conditionally select one or more projects for contract negotiations.¹⁹

The RFP will also solicit information on non-price criteria, including environmental impacts, financing, and economic benefits to Rhode Island.²⁰ These non-price criteria will facilitate the reviewer's ability to determine whether the bids will provide other direct economic benefits to Rhode Island, such as increased tax revenues or other similar revenues. This information is important because in reviewing PPAs, the Commission is required to find that the project provides other direct economic benefits to Rhode Island.²¹ The RFP also properly reflects the requirement that Long-Term Contracting statute also contains the requirement that "no contracts shall be awarded unless the pricing under such contract(s) is below the forecasted market price of energy and [RECs] over the term of the proposed contract."²²

At the hearing, there were questions about a claim made in the initial RFP that the Company would be required not just to replace capacity from canceled contracts that never achieved commercial operation, but that it would be required to continue to procure under the Act following the expiration of the original contracts. After review, it appears that there is no clear statutory requirement that Rhode Island Energy is required to solicit additional supply under the Long Term Contracting Standard for Renewable Energy after the expiration of contracts where the project achieved commercial operation. The Company could continue to voluntarily procure under the process outlined in the Act, but in light of the lack of a clear mandate, at this time, there is no reason to include such language in the RFP. At the hearing, the Company agreed to remove the

¹⁸ RFP at Sections 2.1 through 2.3.

¹⁹ RFP at Section 2.4.

²⁰ *Id.* at 2.4.

²¹ R.I. Gen. Laws § 39-26.1-5(e).

²² R.I. Gen. Laws § 39-26.1(f).

reference and on December 4, 2025, filed the revised RFP which was approved at an Open Meeting on December 22, 2025.

Accordingly, it is hereby,

(25604) ORDERED:

The Narragansett Electric Company d/b/a Rhode Island Energy's Amended Request for Proposals filed on December 4, 2025, is hereby approved.

EFFECTIVE AT WARWICK, RHODE ISLAND, ON DECEMBER 22, 2025,

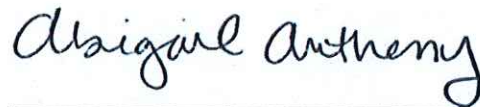
PURSUANT TO AN OPEN MEETING DECISION ON DECEMBER 22, 2025. WRITTEN

ORDER ISSUED FEBRUARY 4, 2026.

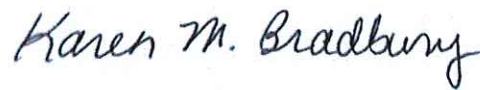
PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairman



Abigail Anthony, Commissioner



Karen M. Bradbury, Commissioner



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 Rhode Island Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.