



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

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September 9, 2021

Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

Re: Docket No. 5169 - Petition of Town of Portsmouth for Approval of the Proposed Community Electricity Aggregation Plan Pursuant to R.I. Gen. Laws § 38-3-1.2

Dear Ms. Massaro,

The Division of Public Utilities and Carriers ("Division") writes to provide the Public Utilities Commission ("Commission") with its recommendation regarding the Town of Portsmouth's Petition for Approval of the Proposed Community Electricity Aggregation Plan Pursuant to R.I. Gen. Laws § 39-3-1.2. The Division has reviewed the petition and proposed plan ("Plan"), R.I. Gen. Laws § 39-3-1.2 as well as recent Commission Orders in Docket Nos. 5042, 5061 and 5062. The Division believes that the Plan complies with R.I. Gen. Laws § 39-3-1.2, and therefore, recommends its approval as further set forth below.

On June 22, 2020 the Portsmouth Town Council authorized "the Town administrator to research and develop a plan to aggregate the retail electric loads within the Town through a Community Choice Aggregation program in accordance with R.I. Gen. Laws § 39-3-1.2." *Plan at 11.* The Plan also properly provides for its own development, as well as the operation and governance of the aggregation program. *Plan at 2 & 5.* On August 11, 2020, the Town of Portsmouth held a hearing to review and take comments on the draft of the Plan. Prior to the hearing, the Town published notice of the hearing in the *Portsmouth Times* on July 30, 2020 and August 6, 2020 as required by R.I. Gen. Laws § 39-3-1.2. *Plan at 12.*

In accordance with the statute, the Plan identifies the classes of customers that may participate in the aggregation program, *Plan at 2*; contains a statement of universal access and equitable

treatment for all applicable customers, *Plan at 2*; and identifies the organizational structure of the program. *Plan at 3-5*. The Plan further identifies the program's operations and funding, *Plan at 5*, and sets forth a process for establishing rates and allocating costs among Plan participants. *Plan at 8*.

R.I. Gen. Laws § 39-3-1.2 requires the petitioner to identify the methods for entering and terminating agreements, the rights and responsibilities among participants, and the method for terminating the program. The Plan satisfies these requirements as well. *See Plan at 9-10*.

The Plan must also identify the terms and conditions under which retail customers who have chosen to opt-out may take service from the aggregated entity. Pursuant to the Plan, "[a]ll consumers that join the program after having previously opted out will be offered a price based on then-current market rates rather than the standard contract price." *Plan at 3*.

The Plan sets out a customer's rights once the Plan is approved. The Plan informs participating ratepayers in advance of automatic enrollment that they are to be automatically enrolled and have the right to opt out without penalty and elect to receive retail supply from another licensed supplier or the electric distribution company. *Plan at 9*. Within 30 days after the aggregated entity is operational, ratepayers who have not elected an alternative supplier will be transferred to the aggregated entity, subject to an opt-out provision. *Plan at 7*.

In addition to these disclosures, the Plan requires the disclosure of all charges that are to be made, *Plan at 7*, provides for full disclosure of the Standard Offer Service ("SOS") rate, *Plan at 8*, identifies how customers may access SOS, *Plan at 7*, and requires that the Plan must be made available to ratepayers without penalty if they were previously on SOS. *Plan at 4*.

In Docket No. 5042, 5061 and 5062, the Division expressed concern about the availability of an arrearage management payment ("AMP") plan and budget billing for LIHEAP eligible customers. The Division also expressed concern about the time (45-60 days) it might take for LIHEAP eligible customers to opt out of the Plan and return to National Grid for supply and delivery service. The Division, therefore, recommended that the petitioner engage the George Wiley Center, the Center for Justice and the appropriate Community Action Program agency to conduct at least one workshop with these groups to educate them as to the terms of the Plan and its potential impact upon their respective members. It was the Division's understanding that these issues would be fully resolved with the implementation of a purchase of receivables ("POR") program. Thus, the Division also recommended that the Commission expeditiously explore the merits of implementing a POR program.

The Division has reviewed Order Nos. 24099, 24101 and 24102—the Orders that the Commission issued in Docket No. 5042, 5061 and 5062, respectively. In those Orders, the Commission recognized the Division's concerns. *See Order Nos. 24099 at 9; 24101 at 9-10; & 24102 at 8-9*. On June 17, 2021, the Commission held a hearing regarding the propriety of the petition of the Retail Energy Supply Association ("RESA") for approval of a POR program, Docket No. 5073. On July 27, 2021 at Open Meeting, the Commission generally authorized the Company to file a tariff incorporating a POR program pursuant to Settlement Term Sheet that had been entered into between RESA and the Company, subject to further review of the

Commission.¹ Pursuant to the Term Sheet, National Grid is to implement the POR program by January 1, 2022, unless additional time is warranted for good cause shown.

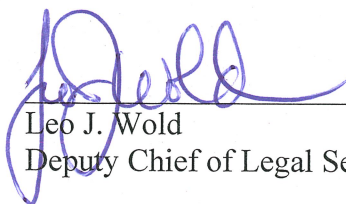
As the timing for implementing a proposed POR program remains uncertain, the Division continues to recommend that the Commission grant the instant petition subject to the requirement that the Town of Portsmouth conduct at least one workshop with the local Community Action Program, the George Wiley Center and the Center for Justice. The focus of the outreach should be to educate LIHEAP eligible customers on the terms of the Plan and the impact that the Plan may have on LIHEAP eligible customers, including but not limited to: the availability or unavailability of the Termination Rules and AMP plan for these customers once they have been transferred to a competitive supplier, the various electricity supply products available under the Plan by choice or by default and how the price of each product compares to each other and Standard Offer Service and the actions LIHEAP eligible customers must take to elect to remain with National Grid or to opt-out of the Plan.

In Order Nos. 24099, 24101 and 24102, the Commission also required the petitioner to: (i) use the revised Electricity Service Agreement, (ii) use the Energy Source Disclosure Label template filed on March 4, 2021, and (iii) within two years of the approval of the Plan, provide written notice to the Commission and Division that the Plan has been implemented describing with particularity all parts of the Plan that have not been implemented. *Order Nos. 24099 at 17; 24101 at 16; & 24102 at 15-16.* The Division recommends the Commission should incorporate these requirements into the Order that is issued in the pending matter as well.

In Docket Nos. 5042, 5061 and 5062, the Division had recommended that the legislative authority from the respective cities and/or towns report the results of the solicitation and proposed agreement awards to the Commission and Division. This obligation is required by R.I. Gen. Laws § 39-3-1.2 but only to the extent that the results are reported to the Commission. The Commission did not include the Division's recommendation in the ordering provision in Order Nos. 24099, 24101 and 24102. *R.I. Gen. Laws § 39-3-1.2 (d).* To monitor the progress of these aggregation plans, the Division continues to believe that this requirement should be included in any Order that is issued in the pending docket and the Orders that have been issued in the Docket Nos. 5042, 5061 and 5062.

Respectfully submitted,

Division of Public Utilities and Carriers



Leo J. Wold
Deputy Chief of Legal Services

¹ On August 26, 2021, the Company filed updated terms and conditions to incorporate POR. The filing is under review.