

Comments Submitted to the RI Public Utilities Commission

89 Jefferson Blvd, Warwick, RI

December 16, 2014

Re; Docket # 4393

RI Public Utilities Commission:

We do not specifically oppose National grid's increase request, as we understand that the increase request is driven by commodity pricing.

The fundamental problem creating the electricity rate increase request by National Grid is caused by the lack of natural gas available in the northeast, which is now predominantly used to generate electricity. The fundamental solution to the rate hike request is bringing more natural gas to the Northeast, through expansion of pipelines and compressor stations, which carry and distribute natural gas to New England.

There are at least three pipeline expansions being proposed by developers that would help alleviate the fundamental problem. The problem requires a collective New England solution. Most New England states have thus far worked together to help solve the problem, including Rhode Island. However, Massachusetts at the State and Federal political levels has been silent or opposed to measures that would expedite pipeline approvals by the Federal Energy Regulatory Commission (FERC).

Massachusetts failed to pass legislation in their last session that would have put them on board with their neighboring states in collectively working toward a regional solution. Massachusetts federal Senators, Elizabeth Warren and Edward Markey have both opposed the Kinder Morgan pipeline outright. Collective, cohesive political action by all of New England's political leaders is critical to the success of solving this fundamentally regional problem.

The second issue confronting the expansion of pipelines into the northeast is the intransience of the environmental and renewable energy purists, to yield to more gas infrastructure to the northeast. TEC-RI supports the direction of moving towards renewable energy in the energy production mix, energy efficiency measures and is supportive of efforts to be mindful of our environment. However, we also believe that an energy production bridge is needed to get from point A to point B. It is impossible for the Rhode Island economy to absorb a direct transition to an all renewable energy economy. The cost is just too high for ratepayers and employers alike. Rhode Island companies won't be able to compete west of the Mississippi, where gas is abundant or around the world.

Over the next few years, at least five major electrical generation power plants will be shuttered in New England, including, Salem Harbor, Vermont Yankee, Norwalk Harbor, Mount Tom and Brayton Point in Somerset. All of these plants burn oil and coal, except for Vermont Yankee, which is nuclear. All of these closings will help us collectively to get off of our dependence on foreign oil and the mid-east, as well as significantly contribute to better air quality in our region.

There is a price to be paid for these closings. There are always tradeoffs in generating electricity of price, reliability and environmental considerations, which require balance. The Energy Council of Rhode Island (TEC-RI) does not oppose the trend of these closures, but we do strongly and unequivocally support the import of domestically produced gas to our region, which has much less impact on the environment, than does oil or coal and offers price and supply stability.

Current solar and wind renewable energy costs and technology does not compete with the cost of fossil fuels, so renewables have to be brought on line slowly on a cost basis. This process will also allow the renewable technology to improve and become more cost effective over time. TEC-RI members and all ratepayers would love nothing more than to generate their own electricity on site, but that is not going to happen overnight or any time soon, until technology improves and costs decrease.

Lastly, I want to address the proposal by Attorney General Kilmartin to spread the proposed National Grid rate increase over 12 months, rather than 6 months. TEC-RI opposes this proposal. Not because we are masochists and want to inflict added cost onto our bottom line or see any ratepayer pay more for electricity, we do not. Self-preservation, self-interest and profit motive would attest to that fact.

We oppose the proposal, because higher electric costs will put heat on our elected officials to solve the fundamental problem sooner, which is getting more gas to New England and any attempt to divert from that goal is misguided and we urge the Public Utilities Commission (PUC) to reject that proposal. Currently, Rhode Island pays the 6th highest cost for electricity of all the 50 states. It's time to do something about that and only action by our elected officials can solve this problem. Don't let them off the hook by diminishing the impact of solving the fundamental problem...building more pipeline infrastructure to get gas to Rhode Island is the fundamental solution to the problem.

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Summary Comments:

We do not specifically oppose National grid's increase request, as we understand that the increase request is driven by commodity pricing. Rhode Island and the northeast has moved further and further away from using oil and coal to generate electricity and grown more reliant on natural gas and due to new processes, is abundant to our west and south, but pipe distribution/transmission constraint, is severely limiting its availability here in Rhode Island, thus this imbalance in supply and demand is the root of the problem and commodity pricing is the symptom, not the problem.

To solve the problem, all of New England needs to work cohesively and collaboratively on the political front, at the federal and state levels. Rhode Island, under the direction of Governor Chaffee and the Office of Energy Resources, along with the legislature has sought to do so over the past two years. Massachusetts has not... and we need to muster all the political capital that we can, to influence Massachusetts and their elected officials, to work with us to solve this problem, as it is truly a regional problem that requires a regional solution.

We understand and support efforts to move towards cost effective renewable energy alternatives. We also understand and are mindful of efforts to move towards a cleaner environment that is less reliant on fossil fuels. Over the next few years, at least five New England electrical generation plants that generate electricity by using coal or oil will shutter.

The cost of electricity generation by alternative energy is today costly, intermittent and unreliable therefore, we need to generate electricity to meet Rhode Island's peak demands, by gas. Gas is produced domestically and a cleaner alternative to coal and oil electricity generation. While environmental and renewable purist, oppose pipeline expansion, it is the responsibility of our elected officials to move forward and solve this problem collectively.

Lastly, we decline to support Attorney General Kilmartin's proposal, to spread out the cost increase over 12 months vs. 6 months. We believe that more price increases can be expected over the next few years and that the problem needs to be addressed, not the symptom and relief from the symptom will divert the efforts of our elected officials to solve the problem.

We also recommend the Commission and legislature consider methods that would require National Grid to announce rate direction increases earlier than five weeks before they are to take effect, which appears to be rooted in historic routine, rather than state law or regulation, as all ratepayers, regardless of size, will have difficulty in adjusting to such a large increase over such a short period of time.