

Rhode Island Public Utilities Commission Docket No. 4568
Review of National Grid Rate Design
Outline of Intervener Presentation for Technical Session
November 18, 2015

- I. **Introduction:** The parties' testimony makes the following 3 points:¹
 - a. National Grid's proposal does not comply with the Renewable Energy Growth Program (REG) statute and is not good ratemaking;²
 - b. National Grid's proposal is harmful to ratepayers;
 - c. National Grid's proposal is inconsistent with other RI energy policies.

- II. **National Grid's proposal does not comply with the REG statute and is not good ratemaking.**
 - a. The REG statute requires the Commission to take into account and balance a number of factors.
 - i. National Grid's proposal does not consider the benefits of distributed energy resources.ⁱ
 - ii. The rate design proposed by National Grid is not simple, understandable, or transparent.ⁱⁱ
 - iii. National Grid's proposal does not demonstrate equitable ratemaking principles regarding the allocation of the costs of the distribution system nor demonstrate cost-causation.ⁱⁱⁱ
 - iv. National Grid's proposal will not advance the legislative purposes in creating the REG program.^{iv}
 - v. The cost and complexity of National Grid's proposal have not been adequately analyzed and compared to asserted (but not analyzed) benefits. Moreover, the degree of current and projected shift of cost allocation does not warrant urgent action now.^v

- III. **National Grid's proposal is harmful to consumers.**
 - a. The proposed rate design significantly reduces ratepayers' control over their electric bills.^{vi}
 - b. The proposal's absence of a plan for outreach, information, education, or enabling tools disempowers consumers and puts them at great risk for surprise bills.^{vii}
 - c. Electric heating customers will be disproportionately impacted.^{viii}
 - d. The bill impacts of the proposed rate design may be greater than National Grid states.^{ix}
 - e. The proposed rate design will negatively impact electric vehicle drivers and other potentially beneficial electric uses.^x

¹ The parties collaborating on this outline and presentation include: Acadia Center, Energy Efficiency and Resource Management Council, Northeast Clean Energy Council, Office of Energy Resources, and The Alliance for Solar Choice.

² Rhode Island General Laws Sec. 39-26.6-24

IV. National Grid's proposal is inconsistent with other Rhode Island energy policies.

- a. The proposed rate design is not consistent with Rhode Island's Least Cost Procurement and System Reliability Procurement policies.^{xi}
- b. National Grid's proposal is inconsistent with the REG and state policies to promote the deployment of clean, local energy resources.^{xii}
- c. The proposed rate design is not aligned with Rhode Island's updated State Energy Plan.
- d. National Grid describes an emerging energy future, but the proposed rate design will undermine it. Specifically, National Grid states that the company is contemplating a shift toward recovering 100 percent of its revenue requirement through fixed customer charges.^{xiii, 3}

V. Conclusions of the parties

- a. National Grid's proposal represents a dead end for Rhode Island and cuts off significant future opportunities, at a cost now (implementation costs) and in the future (opportunity costs) to customers.^{xiv}
- b. Rhode Island is a national leader in demonstrating and delivering the economic benefits of energy efficiency and distributed energy resources to customers. National Grid's proposal will slow momentum and could lead to reversal of this progress.
- c. Other jurisdictions and stakeholders are developing solutions that are consistent with RI's energy goals and policies. Rhode Island should research and analyze those solutions and adopt ideas that consistent with state goals.^{xv}
- d. The parties respectfully urge that the Commission should not approve National Grid's proposal or any amended proposal.^{xvi}
- e. The parties' recommend that a constructive process is needed to consider broader changes to rate design.^{xvii}

³ National Grid response to data request CLF 2-5.

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- ⁱ Anthony, pg.10, ln.17-20; Besser, pg.4, ln.11, 24-27, pg.18, ln.10-13; Golin, pg.22, ln.22- pg. 23, ln.2, pg.27, ln.1-pg.30, ln.2; Parker, pg.14, ln.1- pg.15, ln.8.
- ⁱⁱ Anthony, pg.10, ln.21-29, pg.11, ln.1-3; Besser, pg.12, ln.5-7, pg.18, ln.10-13; Golin, pg.28, ln.18-20; Parker, pg.11, ln.3-pg.13, ln.30.
- ⁱⁱⁱ Anthony, pg.10, ln.1-9, 14-16; Gold, pg.4-5; Golin, pg.16, ln.16-20, pg.28, ln.15; Parker, pg.15, ln.11- pg.17, ln.6, pg.18, ln.14- pg.21, ln.4.
- ^{iv} Besser, pg.4, ln.22-27; Golin, pg.16, ln.16-pg.17, ln.5.
- ^v Anthony, pg.11, ln.4-17; Besser, pg.5, ln.18-20, pg.12, ln.5-13, 18-26, pg.13, ln.1-15; Gold, pg.2, pg.4-6; Golin, pg. 24, ln.12-14, pg.25, ln.16-pg.26, ln.12; Parker, pg.27, ln.10-18.
- ^{vi} Anthony, pg.12, ln.26-27; Besser, pg.11, ln.8-16; Golin, pg.11, ln.10-15, pg.25, ln.13-pg.26, ln.4.
- ^{vii} Anthony, pg.10, ln.23-29; Parker, pg.13, ln.31-35.
- ^{viii} Anthony, pg.14, ln.3-15.
- ^{ix} Anthony, pg.13, ln.26-30, pg.14, ln.1-2, ln.22-26; Parker, pg.9, ln.23- pg.11, ln.2.
- ^x Anthony, pg.15, ln.6-12; Parker, pg.17, ln.8-pg.18, ln.13.
- ^{xi} Anthony, pg.12, ln.2-5; Parker, pg.24, ln.1-pg.26, ln.6.
- ^{xii} Anthony, pg.12, ln.17-21; Besser, pg.4, ln.23-27; pg.14, ln.9-17, pg.18, ln.7-13; Golin, pg.16, ln.16-20, pg.29, ln.8-pg.30, ln.4; Parker, pg.24, ln.1-34.
- ^{xiii} Parker, pg.19, ln.16-pg.21, ln.4.
- ^{xiv} Gold, pg.6-7.
- ^{xv} Parker, pg.21, ln.5-pg.22, ln.37.
- ^{xvi} Anthony, pg.15, ln.22-24; Besser, pg.18, ln.4-5; Gold, pg.6-7.
- ^{xvii} Besser, pg.17, ln.6-8, pg.18, ln.17-22; Gold, pg.7.