



THE ENERGY COUNCIL OF RHODE ISLAND

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*Advocating for affordable energy prices and a robust supply of power in Rhode Island*

RI Public Public Utilities Commission  
Todd Bianco  
89 Jefferson Boulevard  
Warwick, RI 02888

September 1, 2017

RE: Docket 4600

Mr. Bianco,

We are writing to comment on our opinion of the 4600 Docket, which we had some participation in, but not for the duration of the workgroup meetings, particularly not in the beginning.

First off, let us comment about the workgroup participants in general. It was heavily represented by groups that have a financial interest in renewables, environmental policy and energy efficiency. Of interest we noted the amount of time and revenue expended by many of the stakeholders. The professionals at the table, eg; attorneys, consultants, advocates and personnel commitment was extraordinary. It is likely that \$5,000 to \$10,000 an hour was cumulatively spent by these groups. The stakeholders made an extraordinary commitment to this process. We will let you reach your own conclusions as to what that meant.

While we had some representation at the table, it in no way rivaled the other stakeholders in depth of commitment of dollars or time. Who in this competitive world today, has the time for all day meetings, of which there were nine day long meetings? Nor did the effort represent a broad spectrum from ratepayer affordability standpoint. We recognize that the George Wiley Center had representation; however, their interest from a ratepayer affordability point of view is mitigated by their constituency being heavily subsidized.

As the only representative of G32 rate payers, we came to the table with a significantly different set of drivers and constraints. We would like to stress the point that unlike other consumers, we utilize electricity to make jobs and in order

to do that, we need to compete with other parts of the country and the world, and that the cost of electricity is a large factor in our ability to compete.

Our overall support of the outcome of this docket was based on the observation that the current cost based rate structure was not helping G32 customers and that the entire rate structure needed to be reconsidered on a cost benefit basis and that the drivers were different for each of the different rate classes.

We agree with the need to have a broader evaluation of costs and benefits of any investment in energy resources as proposed in the Docket 4600 report. We also agree with the premise in Docket 4600 that rate structures can impact how one uses energy and the demand for that energy.

In point of fact, we have seen Rhode Island energy rates help to drive job opportunities away from Rhode Island. This is partly evidenced by the fact that the largest reduction in energy use is in the industrial sector, not because of energy efficiency gains, but because of that sector moving jobs out of Rhode Island to other parts of the country! We take exception with the Docket 4600 report recommendations in that the costs and benefits discussed and recommended are highly weighted towards environmental concerns and pays mere lip service to the economic impact side of the cost / benefit analysis.

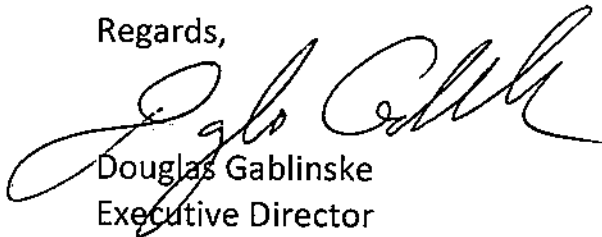
We need a rate structure that recognizes the unique needs of the industrial sector for inexpensive energy so they can be competitive, yet provides mechanisms for the residential sector which will help influence residential customer behavior in a manner that reduces peak loads on the system. Peak loads are driven by the residential sector, yet the industrial/institutional/commercial sectors bear the brunt of those costs through the forward capacity tag.

We also have concerns that the continued subsidizing of renewables at the expense of reliable energy sources such as natural gas centralized power generation is counter-productive to market rate competition. This policy has helped to create an economic environment which has hastened large centralized energy producers to retire from the market. The net result of that trend continuing will be unaffordable energy prices, unreliable electricity production and an unstable grid.

We strongly disagree with 2.4 in the final draft, regarding Rhode Island having a “well established practice for assessing the cost-effectiveness of energy efficiency resources”. We believe that the formulas used in determining cost effectiveness are overly broad and try to project social benefits that are not verifiable in any cost analysis. Also, we believe the specific cost benefits of specific efficiency measures are based on limited verifiability. We should use measurable verifiable, direct and factual indexes for the cost benefit calculations.

Thank you for the opportunity to provide our opinion on Docket 4600.

Regards,

A handwritten signature in black ink, appearing to read "D. Gablinske", written in a cursive style.

Douglas Gablinske  
Executive Director