



Memorandum

From: Seth Handy

To: Luly Massaro

Date: August 22, 2017

Regarding: Docket 4605, National Grid Rate Proposal – Public Comment

Good morning Commissioners and thank you for the opportunity to comment today. Welcome Commissioner Anthony. I am Seth handy of Handy Law. While I'm commonly here before you on behalf of clients, today I comment as a Rhode Island Citizen.

I may be rare, but I'm here to commend the Commission and the Division of Public Utilities and Carriers for the great work it has been doing to bring energy costs down in Rhode Island. It's a pity National Grid filed this rate plan in March 2016 and brings this rate adjustment before you now, before that good work has been implemented and had its impact.

It's crystal clear that business as usual is not paying off. Yes, ISO reports nuclear, oil and coal plants are shutting down – 4200 megawatts by 2020, about 15% or our region's total generating capacity. Those plants are being decommissioned because they cannot compete with newer, cleaner sources. That's a good thing. Meanwhile, ISO notes that there are 10,100 megawatts of new capacity in efficiency and renewables proposed for implementation/development – compared to only 6,400 megawatts of natural gas. The simple fact is that natural gas plants like Burrillville are not as economical as newer, cleaner generating source – that's why Burrillville has been outcompeted in each of the last two of ISO's forward capacity auctions. And, as for pipelines, the most recent proposal, the \$3.2 billion Access Northeast pipeline proposed by National Grid and Eversource, it was rejected by the MA Supreme Court based on a finding that the gas peddlars didn't want to bear the risk of that investment given competitive market forces and a holding that such risk should not be put on electric consumers.

So what are the alternatives to such business as usual? Local efficiency and renewables are simply more cost effective. The Narragansett Bay Commission, where I'm proud to be a Commissioner, has implemented 10% efficiency and 45% renewables and saved \$4.7 million so far, with a goal to go 100% renewable. Even JP Morgan Chase, not known for their green liberalism or dumb investments has committed to go 100%

renewables by 2020. Toray Plastics, here with TECRI, has used solar power and combined heat and power to become 100% self-sufficient and wean itself off the regional electric supply. For those that are reticent about such valuable new solutions, there's also a competitive supply market that the Lieutenant Governor will tell you all about.

Our State Energy Plan is clear that we need to dramatically diversify our energy supply to ease costly overreliance on gas, improve our energy security and protect our environment. In Docket 4600, all energy stakeholders in RI (including TECRI, NGrid and the Division) agreed on the steps to achieve cost effectiveness and better long-term value for our energy system, including, for example, resolve to implement time-varying rates so that we reward customers for reducing consumption and growing local production during peak demand when our electricity is most expensive. That's the kind of innovation that will flow when we overcome outdated and unaffordable thinking about the virtues of more business as usual. In our Transforming the Power Sector proceedings we're reforming the utility business model to make sure its interest in gas and transmission/distribution wires does not eclipse the customers interest in a new and more affordable energy future. We're studying how to plan for an improved distribution system that is better able to accommodate that energy future. We're even contemplating beneficial electrification of our transportation and thermal (heating cooling) sectors and planning to make that conversion as efficient and cost effective as possible.

Thank you Commissioners for putting us on a path to a much brighter and more competitive energy future. It's too bad that the procurement plan and rate proposal currently under consideration could not allow more time for your great work to be implemented and show its benefits.

Thank you.