



Comments of the Rhode Island Office of Energy Resources in Docket #4770 re: National Grid's Application for Approval of a Change in Electric and Gas Base Distribution Rates

April 6, 2018

The Rhode Island Office of Energy Resources (OER) respectfully submits these comments regarding the Application for Approval of a Change in Electric and Gas Base Distribution Rates filed by National Grid ("the Company") on November 27, 2017 in Docket #4770. In addition, OER looks forward to filing subsequent comments by April 18, 2018 regarding National Grid's Power Sector Transformation (PST) Vision and Implementation Plan filed by the Company on November 28, 2017 in Docket #4780.

OER believes that this base distribution rate case is a key moment for Rhode Island to move forward on our collective energy priorities. Over the past fifteen years, Rhode Island has enacted bold goals and energy policies aimed at increasing fuel diversity, reducing costs, and promoting clean energy.¹ Furthermore, today's energy markets are undergoing rapid change, with clean energy technologies such as solar photovoltaics becoming more affordable and appealing to a broader segment of consumers. The rapid pace of market transformation as well as the clear policy direction provided by Rhode Island's statutory framework underscores the pressing need to prepare for a distributed, clean, and resilient energy future. With this rate case, we have an important opportunity to firmly integrate the state's public policy objectives into the core mission and financial interests of our state's primary electric distribution utility.

As the lead energy policy agency for Rhode Island, OER works to ensure that the state's energy initiatives align with a long-term vision of a reliable, affordable, and clean energy system. To that end, in Docket 4770 OER focused on evaluating consistency of the Company's rate proposals with the state's energy, environmental, and economic public policy objectives. As part of our review, OER considered the Company's filing, reviewed data requests and responses, and attended Commission technical sessions. OER is also actively working with the DPUC to consider key connections between the Company's base distribution rate filing and the Company's PST Plan filing.

OER is not making detailed recommendations relative to the specifics of the Docket 4770 case at this time, but instead offers the following high-level principles and priorities for consideration by the Commission:

- The Company's base distribution rate case proposals and PST proposals should be properly integrated to ensure that the utility's financial interest is aligned with the public interest.
- This integration should reflect and build on Rhode Island's forward-thinking energy policy and statutory framework by aligning the Company's activities with state objectives.
- Given the pace of technological change and the ambitious policy goals of the state, now is the appropriate time to advance bold regulatory action commensurate with the central role of the regulated utility and the grid in our future clean, distributed energy system.

¹ Among the most prominent energy policies are Least-Cost Procurement, various renewable energy statutes, biodiesel blending, coordinated multi-state energy procurements, the Regional Greenhouse Gas Initiative (RGGI), and the 2014 Resilient Rhode Island Act.

OER appreciates the opportunity to comment and looks forward to ongoing conversations with the Commission, the Division, the Company, and other intervenors as Docket 4770 and Docket 4780 proceed.

Sincerely,

A handwritten signature in cursive script that reads "Carol J. Grant". The signature is written in black ink and includes a long horizontal flourish extending to the right.

Carol J. Grant
Commissioner
Office of Energy Resources