

State of Rhode Island Public Utilities Commission

**In Re: Petition of the Episcopal Diocese of Rhode Island for Declaratory Judgment
on Transmission System Costs and Related “Affected System Operator” Studies**

Docket No. 4981

Pre-Filed Testimony of

Dr. Kenneth Payne

May 25, 2021

I. Introduction and Qualifications

1 **Q. Please state your name and address.**

2 A. My name is Kenneth Payne and my address is 8 Pinecrest Road, Carolina, RI 02812-
3 1108.

4 **Q. Please describe your experience.**

5 A. I have served as the administrator of the Office of Energy Resources and the
6 gubernatorially-appointed chair of the distributed generation board from 2012 to 2019. I
7 have served as executive director of the R.I. League of Cities and Towns, federal projects
8 coordinator for U.S. Sen. Claiborne Pell, and senior policy adviser to the Rhode Island
9 Senate. I have worked in policy positions in federal, state and local government.

10 **Q. Have you appeared before the Commission as an expert before?**

11 A. Yes, I have served as an expert many times since representing the League of Cities
12 and Towns in the 1970s.

13 **Q. What is your educational background?**

14 A. I have a PhD from the University of Massachusetts in regional planning with a
15 concentration in economic development planning. I also have a Masters in Community
16 and Regional Planning from the University of Rhode Island.

17 **Q. Are you familiar with the proceedings in Docket 4981?**

18 A. Yes, it presents issues that I find fascinating and are critical path.

19 **Q. What is your impression?**

20 A. I am extremely concerned that National Grid, the Commission and the Division, and
21 Office of Energy Resources are caught in the incrementalism of slow change and a

1 gradual evolution of the status quo. They are resistant to change in how things work in
2 the regulation of our utility. They hang on to things as they are as a kind of sacred,
3 common law doctrine, which shapes their outlook and way of life; it is theirs, and they
4 like it, and feel deeply they should defend it. The problem is climate change is a reality.
5 On this matter, the scientific consensus is solid. Incrementalism is no longer prudent.
6 We have entered a new era. How we think about who benefits is significantly informed
7 by our understanding of ecology. Global warming massively impacts on ecosystems. Yet
8 I have never encountered those engaged in public utilities regulation to employ ecological
9 thought; it seems foreign to them, not in their domain. This may mean that they lack a
10 fundamental appreciation of the system benefits of projects that reduce greenhouse gas
11 emissions. NESCOE is frustrated by ISO-NE.

12 Do the RIPUC and the Division think that the 2021 Act on Climate impact
13 directly on its duties; I doubt it, their regime is based on principles established a century
14 ago. Describing this disconnect between disciplines, with sufficient documentation to be
15 compelling, is a huge undertaking. The magnitude of needed change, on an ecological
16 level, seems far greater than current systems can readily absorb. The comfort zone is
17 business as usual. Layers of dockets have not resulted in much progress. The question of
18 what is happening ecologically is not much of a factor in their decision-making.
19 Representations regarding the need to have rates address the need to build an electrical
20 system that is optimally functional for our future don't really register, or so it seems.
21 There is such a concern for costs in the near term that we sacrifice the opportunity for
22 much more significant system cost savings down the road.

1 **Q. What is the solution to this problem?**

2 A. My strong feeling is that we need regime change. We will not get to where we need
3 to be regarding reducing greenhouse gas emissions, while Wall Street values prevail over
4 Main Street necessities. Public utilities regulation needs to consider the possibility that
5 the two decades of slow growth in renewable energy development has got to come to an
6 end. We are not going to get to net zero by 2050 by tinkering with current practice, while
7 providing high returns to share-holders and keeping short term increases to rate-payers as
8 low as possible--the result is continuing de facto treatment of greenhouse gas emissions
9 as negative "externalities" and a hostility to distributed energy solutions and smart grid
10 implementation. The dinosaurs enjoy their current way of life.

11 **Q. What do you see as your role in promoting such change?**

12 A. For my own part, I have been thinking about how we can build a coalition around
13 these issues, which will have a broad enough base to get some momentum into necessary
14 change, which will as a practical matter only be achieved on an on-the-ground, case by
15 case basis. Now is not the time to be talking about airy aspirations, what we need is a
16 series of actual projects that move things concretely toward the goals that have been set
17 for the next three decades.

18 **Q. Does this conclude your testimony?**

19 A. Yes.