

**STATE OF RHODE ISLAND**  
**DIVISION OF PUBLIC UTILITIES AND CARRIERS**

IN RE: Petition of PPL Corporation, PPL Rhode Island Holdings, LLC, National Grid USA, and The Narragansett Electric Company for Authority to Transfer Ownership of The Narragansett Electric Company to PPL Rhode Island Holdings, LLC and Related Approvals ) Docket No. D-21-09

**DIRECT TESTIMONY AND SUPPORTING EXHIBITS OF  
KAI SALEM**

**ON BEHALF OF  
GREEN ENERGY CONSUMERS ALLIANCE**

**NOVEMBER 8, 2021**

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Company to PPL Holdings, LLC and )  
Related Approvals )

## **DIRECT TESTIMONY OF**

KAI SALEM

## I. QUALIFICATIONS

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS OF YOUR EMPLOYER AND  
ROLE AT THE ORGANIZATION.**

A. Kai Salem. I am currently employed by Green Energy Consumers Alliance, 2 Regency Plaza, #8, Providence, RI 02903, as a Policy Coordinator.

**Q. PLEASE OUTLINE YOUR EDUCATIONAL BACKGROUND.**

A. I graduated from Brown University in 2018 with a degree in Environmental Studies. My senior thesis focused on four aspects of Rhode Island energy policy including a focus on least cost procurement during my time as a Voss Environmental Fellow at Brown University.

**O. PLEASE DESCRIBE YOUR PROFESSIONAL BACKGROUND.**

A. I have seven years of experience working on Rhode Island climate policy. I have served as part of the Power Sector Transformation advisory group that resulted from the settlement in Rhode Island Public Utilities Commission (“RIPUC”) Docket No. 4780. I served as facilitator of the Rhode Island subcommittee for the New England 4 Offshore Wind Coalition and formerly was the coordinator of the EnergizeRI coalition that advocated for carbon pricing. Currently, in addition to my position as a policy advocate for Green Energy Consumers Alliance, I serve as Vice-President for Policy at the Environment Council of Rhode Island.

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1 Q. HAVE YOU EVER TESTIFIED IN PROCEEDINGS BEFORE THE PUBLIC UTILITIES  
2 COMMISSION OR THE DIVISION?

3 A. I have not testified before the Public Utilities Commission or in any proceeding before the Division  
4 of Public Utilities and Carriers.

## II. OVERVIEW AND SUMMARY

## 7 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

8 A. This testimony addresses issues related to the proposed purchase and sale of the Narragansett  
9 Electric Company (“Narragansett”) by National Grid USA (“National Grid”) to PPL and PPL  
10 Rhode Island Holdings, LLC (“PPL”) (together the “Petitioners”) and an analysis as to whether it  
11 will impact the State’s ability to meet its ambitious climate goals.

## 12 Q. HOW IS YOUR TESTIMONY STRUCTURED?

13 A. My testimony seeks to accomplish the following (1) establish that the standard of review proposed  
14 by the Petitioners is incomplete and does not include recently enacted legislation, (2) identify those  
15 programs and utility functions that are relevant to the analysis, and (3) reach a conclusion as to  
16 whether the transaction meets the proposed standard.

17 Q. IS THERE ANY ADDITIONAL EVIDENCE THAT YOU ARE SEEKING TO  
18 INTRODUCE INTO THIS CASE?

19 A. For some portion of my testimony I will be relying on the 2020 report by the American Council for  
20 an Energy Efficient Economy (ACEEE).<sup>1</sup> ACEEE is a nonprofit research organization whose  
21 mission is to build a vibrant and equitable economy - one that uses energy more productively,  
22 reduces costs, protects the environment, and promotes health, safety, and well-being of everyone.

<sup>1</sup> Berg, W., S. Vaidyanathan, B. Jennings, E. Cooper, C. Perry, M. DiMascio, and J. Singletary. 2020. The 2020 State Energy Efficiency Scorecard. Washington, DC: ACEEE. Available at <[aceee.org/research-report/u2011](http://aceee.org/research-report/u2011)>.

1       The 2020 report provides a scorecard for each state's energy efficiency programs across five policy  
2       areas: (1) utility and public benefits programs and policies, (2) transportation policies, (3) building  
3       energy efficiency policies, (4) state government-led initiative around energy efficiency, and (5)  
4       appliance and equipment standards. While I will cite the overall rankings to provide a level of  
5       comparison between the states, I believe the utility programs section to be most relevant to aid in  
6       the analysis of National Grid and PPL as potential stewards of Rhode Island's energy efficiency  
7       programs.

8       Additionally, to provide some guidance as to the threats of climate change, I refer to the United  
9       Nations Intergovernmental Panel on Climate Change's Special Report, "Climate Change 2021: The  
10      Physical Science Basis,"<sup>2</sup> relevant sections of which are included in the exhibits.

11      I have also included in the exhibits responses to selected discovery questions that are referenced in  
12      my testimony.

13      **Q.     WHAT IS THE STANDARD OF REVIEW APPLIED IN YOUR ANALYSIS?**

14      A.     Rhode Island General Laws, section 39-3-25, states that the proposed transaction cannot be  
15      approved unless the Petitioners are able to demonstrate: (a) that the proposed transaction will not  
16      diminish facilities for furnishing service to the public, and (b) that the proposed transaction is  
17      consistent with the public interest. While this is the primary standard to determine if the transaction  
18      should be approved, the recently enacted Act on Climate, section 42-6.2-8 of the Rhode Island  
19      General Laws, provides additional consideration as to what is in the public interest.

20      **Q.     HOW DOES ACT ON CLIMATE APPLY TO THE PROPOSED TRANSACTION?**

21      A.     Under Act on Climate, addressing climate impacts falls within the "powers, duties, and obligations"  
22      of all state agencies, and each agency is required to "exercise among its purposes in the exercise of

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<sup>2</sup> IPCC, 2021: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press.

1 its existing authority” the purposes of Act on Climate “pertaining to climate change mitigation,  
2 adaptation, and resilience in so far as climate change affects its mission, duties, responsibilities,  
3 projects, or programs.”<sup>3</sup> Accordingly, this provision requires the Division of Public Utilities and  
4 Carriers (“DPUC”) to consider climate impacts and to further the purposes of the Act in the exercise  
5 of its authority.

6 The DPUC has the power, the duty, and the obligation to address climate impacts, and the DPUC  
7 is required to exercise, among its purposes in the exercise of its existing authority, the purposes of  
8 Act on Climate in so far as climate change affects its mission, duties, responsibilities, projects, or  
9 programs.

10 In this docket, PPL and National Grid are requesting the DPUC’s approval of PPL’s purchase of  
11 National Grid’s Rhode Island utility business. Before granting that approval, the DPUC must find  
12 “that the facilities for furnishing service to the public will not thereby be diminished,” and “that the  
13 purchase, sale, or lease and the terms thereof are consistent with the public interest.”<sup>4</sup> Only if the  
14 DPUC finds that those showings have been made shall it approve the transaction and “make such  
15 order in the premises as it may deem proper and the circumstances may require.”<sup>5</sup>

16 Climate impacts and the successful implementation of Act on Climate are of critical relevance to  
17 the required findings. Public utilities play an obvious and critical role in decarbonizing the  
18 electricity and heating sectors, as well as the transportation sector, the decarbonization of which  
19 will depend greatly upon electrification. If PPL fails to maintain, honor, and carry forward with no  
20 loss of momentum National Grid’s existing program commitments related to decarbonization and  
21 clean energy; or if it simply fails to plan for its role in Rhode Island’s decarbonization, this  
22 transaction could undermine the state’s progress towards achieving the challenging mandates of  
23 Act on Climate.

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<sup>3</sup> R.I. Gen. Laws § 42-6.2-8

<sup>4</sup> R.I. Gen. Laws § 39-3-25.

<sup>5</sup> Id.

1 Q. GIVEN THAT MULTI-FACETED STANDARD, WHAT IS THE FOCUS OF THIS  
2 TESTIMONY?

3 My testimony focuses on the question of whether the proposed transaction falls within the public  
4 interest as it relates to the State's climate and energy efficiency policies.

**5 Q. WHAT IS YOUR ASSESSMENT OF THE PROPOSED TRANSACTION?**

6 A. Based on the information that has thus far been provided, I am not confident that the proposed  
7 transaction will either maintain or improve Rhode Island's ability to meet its obligations under Act  
8 on Climate. For that reason, I believe that the transaction should not be approved unless PPL is able  
9 to better demonstrate that the acquisition will not impair progress towards meeting the Act on  
10 Climate goals.

### III. DISCUSSION

13 Q. CAN YOU DESCRIBE GREEN ENERGY CONSUMERS ALLIANCE'S INTEREST IN  
14 THE PROPOSED TRANSACTION?

15 A. Green Energy Consumers Alliance’s (“GECA”) mission is to promote clean energy and cost-  
16 effective greenhouse gas emissions reductions.<sup>6</sup> The operations of gas and electric utility  
17 companies play a significant role in the administration of programs to achieve these goals.

18 Q. WHY SHOULD CLIMATE CHANGE BE A CONSIDERATION WHEN EVALUATING  
19 THE PROPOSED TRANSACTION?

20 A. The Rhode Island General Assembly in April 2021 passed and the Governor subsequently signed  
21 an Act on Climate.<sup>7</sup> As explained previously this law states that “[a]ddressing the impacts on  
22 climate change shall be deemed to be within the powers, and duties, and obligations of all state  
23 departments, agencies, commissions, councils, and instrumentalities, including quasi-public

<sup>6</sup> See Green Energy Consumers Alliance, About Us available at <<https://www.greeneenergyconsumers.org/aboutgreenconsumers>> Last accessed Nov. 8, 2021.

<sup>7</sup> R.I. Gen. Laws § 42-6.2-8

1 agencies, and each shall be deemed to have and to exercise among its purposes in the exercise of  
2 its existing authority, the purposes set forth in this chapter pertaining to climate change mitigation,  
3 adaption adaptation, and resilience in so far as climate change affects its mission, duties,  
4 responsibilities, projects, or programs.”<sup>8</sup>

5 In order to meet its duties and obligations under Act on Climate, and to ensure that the terms of this  
6 transaction are consistent with the public interest, the DPUC must ensure that PPL maintains  
7 National Grid’s existing programs and honors National Grid’s existing commitments related to  
8 decarbonization and clean energy, and it must require PPL to develop plans for how it will  
9 contribute to achieving the reductions required by the statute.

10 **Q. WHAT ARE THE REQUIREMENTS SET BY ACT ON CLIMATE?**

11 A. Act on Climate has three critical components outlining the State’s strategy for addressing the  
12 climate crisis: (1) establishment of enforceable emissions reductions targets by 2030, (2) creation  
13 of a plan to meet those targets , and (3) affirmative duty on all agencies to consider climate in their  
14 operations.

15 **Q. ARE YOU FAMILIAR WITH THE EMISSIONS REDUCTIONS TARGETS THAT ARE  
16 SET IN LAW?**

17 A. Yes. I was among the many Rhode Island individuals and organizations that directly engaged  
18 legislators on this topic over multiple sessions regarding the importance of setting enforceable,  
19 economy-wide standards to address the climate crisis.

20 **Q. HOW WOULD YOU CHARACTERIZE THESE TARGETS?**

21 A. The targets are aggressive. They have to be.

22 The planet is already experiencing the impacts of climate change. We are experiencing increasing  
23 and worse heatwaves, storms, droughts, and fires.<sup>9</sup> And these impacts will get worse before they

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<sup>8</sup> Id.

<sup>9</sup> IPCC 6 SPM at A.3

1 get better. Modelling conducted for the IPCC AR6 Climate Change 2021 Report shows that global  
2 temperatures will continue to increase until at least the mid-century, even in the best-case (lowest  
3 emission) scenarios.<sup>10</sup> This demonstrates the imperative to act aggressively and urgently, because  
4 any impact on global temperatures will lag years or decades behind emissions reductions.

5 The science is clear: Rhode Island has already experienced significant negative impacts caused by  
6 greenhouse gas emissions that have driven rapid temperature rises and other climate risks. To  
7 forestall the most calamitous outcomes, we must take drastic measures, and with haste. There is no  
8 time to delay.

9 **Q. NOTING THE REQUIREMENT FOR THERE TO BE AN UPDATED PLAN PUBLISHED  
10 BY THE EXECUTIVE CLIMATE CHANGE COORDINATING COUNCIL, WHY  
11 SHOULD THE DIVISION TAKE THIS LAW INTO ACCOUNT PRIOR TO THE PLAN  
12 BEING COMPLETED?**

13 A. National Grid has asserted that since the enforceable economy-wide targets described in Act on  
14 Climate have yet to be implemented there are no requirements for public utilities to comply with  
15 any specific rules or regulations.<sup>11</sup> This procedural fact cannot be disputed. However, in the absence  
16 of a published plan, the Division has been granted authority and been given the affirmative duty to  
17 take the considerations of the law into account in its operations, such as this proceeding. Thus,  
18 though court-ordered enforcement of the goals may currently be premature, the purpose of the  
19 statute itself must be considered.

20 The public interest in addressing climate change cannot be ignored. Rhode Island has experienced  
21 more warming than any other of the lower forty-eight states,<sup>12</sup> bringing us sea level rise, extreme

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<sup>10</sup> Id at B.1

<sup>11</sup> National Grid Response to GECA First Data Request, at 1-1.

<sup>12</sup> See Steven Mufson, et. al, 2°C: Beyond the Limit. Extreme climate change has arrived in America, Washington Post, Aug. 13, 2019. Available at <<https://www.washingtonpost.com/graphics/2019/national/climate-environment/climate-change-america/>>. Cites to data provided by the National Oceanic and Atmospheric Association showing warming rates in each of the continental States.

1 weather events, and ocean acidification, all of which impact Rhode Island's coast and marine  
2 economies, along with the health and well-being of the entire state's population. Allowing a once  
3 in a generation utility transaction to be reviewed without considering this recently enacted  
4 legislation would be not only a disservice to the people of Rhode Island but would also be  
5 undermining the intent and will of our General Assembly.

6 In the absence of the referenced report, the Division still must consider whether the proposed  
7 transaction will, at worst, not harm the public's interest in achieving these agreed-upon goals. My  
8 testimony from here will seek to tackle the ways in which several existing programs should be  
9 evaluated to better understand if the proposed transaction poses a risk to meeting the intent of Act  
10 on Climate.

11 **Q. WHAT EXISTING CLIMATE OR ENERGY RELATED POLICIES OR PROGRAMS  
12 ARE LIKELY TO BE AFFECTED BY THE TRANSACTION?**

13 A. Based upon my experience, under current management National Grid plays a critical role in Least  
14 Cost Procurement,<sup>13</sup> the Renewable Energy Standard,<sup>14</sup> renewable energy long-term contracting,<sup>15</sup>  
15 municipal aggregation,<sup>16</sup> interconnections for net metering,<sup>17</sup> and the Renewable Energy Growth  
16 program.<sup>18</sup> In addition to these legislative mandates, National Grid is also a critical stakeholder in  
17 Power Sector Transformation as encapsulated in the Public Utilities Commission dockets 4770 and  
18 4780.

19 While Rhode Island, through these and other non-utility efforts, is attempting to address its  
20 contribution to the climate crisis, for this sale to be in the public interest, the incoming company

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<sup>13</sup> R.I. Gen. Laws § 39-1-27.7

<sup>14</sup> R.I. Gen. Laws § 39-26-4

<sup>15</sup> R.I. Gen. Laws §§ 39-26.1-1 to -9.

<sup>16</sup> R.I. Gen. Laws § 39-3-1.2

<sup>17</sup> R.I. Gen. Laws § 39-26.3-1 to -6.

<sup>18</sup> R.I. Gen. Laws § 39-26.2-1 to -14.

1 must be found to be able to administer these programs as well or better than National Grid currently  
2 does.

3 **Q. IS THERE ANY REASON TO BELIEVE THAT PPL IS OPPOSED TO ANY CLIMATE  
4 OR ENERGY RELATED POLICIES THAT ARE CURRENTLY IN PLACE?**

5 A. PPL indicated that their subsidiaries in Kentucky opposed the final version of the Obama  
6 administration's Clean Power Plan ("CPP") on the grounds that it was inconsistent with their  
7 position that carbon reduction mandates should be "economy-wide, market-based and provide for  
8 regional flexibility."<sup>19</sup> While I do not seek to establish whether the CPP is or is not an effective  
9 climate policy, the advocacy against it is a concerning practice.

10 **Q. DO YOU BELIEVE THAT PPL HAS THE REQUISITE EXPERIENCE AND RECORD OF  
11 SUCCESS TO ADMINISTER THE LEAST-COST PROCUREMENT PROGRAM AS  
12 WELL OR BETTER THAN NATIONAL GRID?**

13 A. Currently, National Grid has significant experience working with Rhode Island's Least Cost  
14 Procurement statute, which has been considered one of the most effective programs in the  
15 country.<sup>20</sup> National Grid's success has been reproduced in Massachusetts and New York. Thus,  
16 even though there are different regulatory schemes in place, National Grid has consistently  
17 delivered cost-effective and successful energy efficiency programs.

18 PPL has asserted that their approach to managing energy efficiency programs is to continue existing  
19 programs for an indeterminate period of time and then decide if changes or enhancements are  
20 appropriate.<sup>21</sup> In order to determine if changes are necessary, their intention is to rely on their

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<sup>19</sup> PPL Response to GECA First Set of Data Requests, at 1-13

<sup>20</sup> See generally Berg, *supra* note 1. Rankings demonstrating Rhode Island's success are found throughout the report. Specific rankings for utility programs, including energy efficiency programs, can be found on page 22.

<sup>21</sup> PPL Response to Office of Energy Resources First Set of Data Requests, at 1-3.

experience in Pennsylvania and Kentucky.<sup>22</sup> Additionally, their intent is to transfer employees from National Grid to PPL in an attempt to retain knowledge and, presumably, experience.<sup>23</sup>

The ACEEE report provides annual ranks for energy efficiency programs across the country.<sup>24</sup> Rhode Island is currently ranked fourth with other National Grid jurisdictions, Massachusetts (rank 2) and New York (rank 5) were also ranked in the top five. Pennsylvania was at nineteen (19) and Kentucky at thirty-three (33).<sup>25</sup> These broad rankings do not provide a complete picture of the evaluation metrics. Focusing specifically on the category of Utility Programs, Rhode Island, under National Grid's expertise, earned 19.5 out of 20 points, tied with Massachusetts for top ranking in that category. Pennsylvania earned only 4 points and Kentucky just 1.5 out of a possible 20 points.<sup>26</sup> PPL's reliance on its existing experience appears to be a recipe for a less effective program, based on these objective, performance based rankings. Additionally, it is difficult to believe that retaining some National Grid staff can make up the performance deficit, especially since at this point there is no clear indication what staff will be retained, along with their experience and qualifications at achieving such a drastic increase in performance.

For that reason, I believe that approval of the proposed transaction without additional assurances, commitments, and specific planning is more likely than not to lead to less effective energy efficiency programs, meaning that Rhode Island is less likely to meet its enforceable greenhouse gas emissions reduction targets.

**Q. DO YOU BELIEVE THAT PPL HAS THE REQUISITE EXPERIENCE AND RECORD OF SUCCESS TO COMPLY WITH THE RENEWABLE ENERGY STANDARD AS WELL OR BETTER THAN NATIONAL GRID?**

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<sup>22</sup> Id.

<sup>23</sup> Id.

<sup>24</sup> See Berg, *supra* note 1, pages 19-59. The full methodology and ranking for energy efficiency programs is found in Chapter 2. The report is not included in exhibits due to author's copyright protections, though the entire report is available online.

<sup>25</sup> Id. at xi.

<sup>26</sup> Id.

1     A. Rhode Island currently has a Renewable Energy Standard that requires that 18.5% of the electricity  
2         used come from renewable sources as defined by regulation. This amount is set to grow 1.5% per  
3         year for the foreseeable future,<sup>27</sup> with even more aggressive targets having been proposed in the  
4         most recent legislative session. National Grid still serves as the electricity supplier for a significant  
5         portion of Rhode Island's population, making them an obligated entity for the purposes of meeting  
6         this requirement.

7             While PPL was not able to provide fuel mix data for the supply that is currently provided to utility  
8         supply, a review of the system mix for the PJM ISO in which they operate demonstrates minimal  
9         experience with renewable energy procurements, with wind providing for 3.3% of the supply and  
10         solar 0.5%.<sup>28</sup> I do note that PPL claims to have met its obligations for alternative energy sources in  
11         Pennsylvania.

12             To recommend that this transaction be approved, it is important to have a more detailed answer  
13         from PPL as to how they plan to meet the Renewable Energy Standard to ensure that the transition  
14         to PPL does not jeopardize compliance with the RES and subsequently the goals of Act on Climate.

15     **Q. DO YOU BELIEVE THAT PPL HAS THE REQUISITE EXPERIENCE AND RECORD OF  
16         SUCCESS TO ADMINISTER RENEWABLE ENERGY LONG-TERM CONTRACTING,  
17         ESPECIALLY WITH REGARD TO OFF-SHORE WIND, AS WELL OR BETTER THAN  
18         NATIONAL GRID?**

19     A. Off-shore wind is a growing component of our regional renewable energy portfolio. National Grid  
20         has developed expertise and experience with negotiating and reaching acceptable terms for the  
21         procurement of electricity from these utility scale renewable sources. With the continued progress  
22         on leasing offshore development rights off the coast of Rhode Island, it is to be expected that in  
23         order to deliver the benefits of those project to Rhode Island, the utility needs to be able to negotiate

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<sup>27</sup> R.I. Gen. Laws § 39-26-4.

<sup>28</sup> PPL Response to GECA First Set of Data Requests, at 1-11.

1 and execute the long-term contracts necessary for project developers and the utility to successfully  
2 integrate those new loads into the existing transmission and distribution system.<sup>29</sup>

3 PPL states that it does not presently have experience in conducting or engaging with offshore wind  
4 RFPs in either their Pennsylvania or Kentucky subsidiaries. Their intention is to work with National  
5 Grid during the transition period and then hire the personnel with experience necessary to meet the  
6 goals.<sup>30</sup> At this time it is unclear whether PPL will attempt to recover the associated costs for  
7 cultivating this expertise from ratepayers.

8 At this time, I cannot recommend this transaction be approved without further assurances that PPL  
9 is appropriately prepared to conduct these procurements and provide for the interconnection of  
10 these resources without shifting new costs onto ratepayers or jeopardizing the state meeting its  
11 obligations under Act on Climate.

12 **Q. DO YOU BELIEVE THAT PPL HAS THE REQUISITE EXPERIENCE AND RECORD OF  
13 SUCCESS TO ADMINISTER MUNICIPAL AGGREGATIONS AS WELL OR BETTER  
14 THAN NATIONAL GRID?**

15 A. The Public Utilities Commission has recently approved five municipal aggregation plans.<sup>31</sup> Each  
16 of these plans included provisions to increase the amount of renewable energy in the default  
17 electricity supply in each of those communities. While National Grid currently plays no role in the  
18 procurement of that electricity, their facilitation of the programs through the tariff for municipal  
19 aggregators and Purchase of Receivables are critical for the successful implementation of the  
20 program.

21 National Grid has developed extensive experience as a utility that serves accounts participating in  
22 municipal aggregation programs in Massachusetts, New York, and now Rhode Island. This

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<sup>29</sup> The Brattle Group and Office of Energy Resources, The Road to 100% Renewable Energy, 18 (2020).

<sup>30</sup> PPL Response to GECA First Set of Data Requests, at 1-9.

<sup>31</sup> See RIPUC Dockets Nos. 5042, 5047, 5061, 5062, and 5169.

1 experience extends beyond Rhode Island to include their staff that works in departments that  
2 provide direct services to municipal aggregators.

3 PPL currently has no experience as a utility that serves accounts participating in municipal  
4 aggregation programs. The proposed transaction would have them assume this role from National  
5 Grid, requiring them, following the transition period, to devote new human resources to manage  
6 the data, billing, and electricity supply enrollment demands of these programs. At this time, it is  
7 unclear whether they would seek to recover these or other related capital costs from ratepayers.

8 **Q. DO YOU BELIEVE THAT PPL HAS THE REQUISITE EXPERIENCE AND RECORD OF  
9 SUCCESS TO FULFILL THE REQUIREMENTS OF POWER SECTOR  
10 TRANSFORMATION AS WELL OR BETTER THAN NATIONAL GRID?**

11 A. In PUC Docket 4780, one item particularly stands out, that is National Grid's intention to achieve  
12 economies of scale through running a multi-jurisdictional RFP for the procurement of smart meters  
13 to fulfill the need for these upgrades.<sup>32</sup> According to PPL, they have already begun rolling out smart  
14 meters in their Kentucky subsidiaries and have completed much of the rollout in Pennsylvania.<sup>33</sup>

15 The concern with the differing pace of rollout of this critical component of our Power Sector  
16 Transformation, is that shifting this responsibility to PPL could result in a higher cost to ratepayers  
17 due to the loss of bulk purchasing power. It is expected that these increased costs will be passed  
18 onto ratepayers in subsequent rate filings.

19 Beyond that increased cost, even more concerning would be an effort by PPL to delay or otherwise  
20 stop seeking the implementation of Power Sector Transformation, including the rollout of smart  
21 meters. Already, this proposed transaction has delayed progress on advanced metering functionality  
22 ("AMF") including the ability for National Grid to make the business case for AMF, which is  
23 considered integral to any grid modernization plan.<sup>34</sup> Cited in that decision is testimony from one

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<sup>32</sup> National Grid response to GECA First Set of Data Requests, at 1-4.

<sup>33</sup> PPL response to Division Seventh Set of Data Requests, at, 7-49.

<sup>34</sup> RIPUC order No. 24089, Docket Nos. 5113-5114, issued July 14, 2021.

1 of the Division's experts in this proceeding, Gregory Booth, who indicated that "synergies  
2 associated with [the current business case] would be lost and replaced with currently unknown  
3 operations, systems, equipment, billing, and other interfaces by PPL."<sup>35</sup>

4 In my opinion, this is one example where we have already seen the proposed transaction leading to  
5 delays in implementing programs intended to address an aspect of the climate crisis here in Rhode  
6 Island. Unfortunately, at this time without the ability to conduct additional discovery, there is  
7 insufficient evidence to explore this issue in more depth and receive assurances that these efforts  
8 will continue in a way that is cost-effective and designed to meet the mandates of Act on Climate.

9 **IV. CONCLUSION**

10 **Q. PLEASE SUMMARIZE YOUR MAIN CONCLUSION.**

11 A. I have reviewed the Petition and data requests relevant to the question of whether the PPL will be  
12 able to maintain the climate-related programs that are currently in place where National Grid plays  
13 a critical role. I do not at this time have sufficient information to recommend approval of the  
14 transaction as currently described. I believe that the transition costs and unproven experience by  
15 PPL poses risks to Rhode Island's ability to meet its obligations under Act on Climate. For that  
16 reason, I cannot conclude that this transaction, as currently described, meets the legal standard of  
17 being in the public interest as informed by Act on Climate.

18 Should PPL make specific decarbonization commitments and provide reasonable plans identifying  
19 its role and responsibilities to meet the standards of Act on Climate that mitigate the identified  
20 risks, it may be possible for PPL to meet this standard.

21 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

22 A. Yes, it does.

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<sup>35</sup> Id. at 3.