

Re: Initial Considerations on Utility Compensation and Request for Stakeholder Comment - Following the Utility Business Model Stakeholder Meeting held August 16, 2017

The Rhode Island Center for Justice submits the following comments in response **to the Initial Considerations on Utility Compensation and Request for Stakeholder Comment - Following the Utility Business Model Stakeholder Meeting held August 16, 2017**. The Rhode Island Center for Justice is a non-profit public interest law office dedicated to providing free civil legal assistance to low-income Rhode Islanders, conducting key litigation affecting the rights and wellbeing of thousands across the State, and engaging in legislative and policy advocacy on behalf of the communities we serve, including low-income utility consumers.

Introduction:

The Rhode Island Center for Justice appreciates the opportunity to participate in this critically important discussion of the changing role of the electric utility and its compensation. The following comments will address each question, in turn.

Responses to the Questions for Discussion and Additional Stakeholder Comment

- 1) The Center for Justice broadly approves of the basic principle of creating a multiyear rate plan with short and long-term performance incentives as opposed to frequent rate case procedures focused on short-term investments in generation capacity. While such investments are necessary on a system-wide basis, low-income utility consumers are generally not responsible for peak demand and therefore only suffer to the extent that the system as a whole is affected.
- 2) The metric for distributed generation should provide increased incentives for reducing energy costs and apportioning cost relative to the consumer's income. In such a way, the performance targets for distributed generation would encourage subsidies for things like photovoltaic panels and small wind turbines that would afford access to distributed generation to households not able to otherwise pay upfront costs. Simultaneously, we urge that siting for distributed generation that produces pollution externalities, such as the exhaust of heat to electricity or the noise pollution of large wind turbines, be mindful of discriminatory impacts on lower income and minority neighborhoods. We understand that the latter might not be simple to quantify into a metric, but it should remain a key consideration in siting decisions.
- 3) We believe any set of metrics measuring the quality of service should include the proportion of households in the coverage area receiving electric service, the proportion of electric customers making their timely monthly payment in full, and the number of monthly disconnections for inability to pay. Such metrics are necessary because the breadth and accessibility of the services provided should be a bedrock concern of a public utility. Disconnections are currently tracked and reported monthly, and payments are already being recorded in the course of business; therefore, this metric should be easy to record. This data would allow analysis of the utility's success in limiting or eliminating termination for nonpayment. As a basic principle, if the utility is not providing affordable services to low-income customers, then it should not be able to increase its rates for those customers.

4) We believe that Network Support Services should be given the most weight, given the needs of low-income utility consumers around paying and understanding their utility bill. To the extent that Distributed Energy Resources can be a source of reduced expenditures, or even income, for low-income tenants or homeowners, significant emphasis should be placed on this as well. The efficiency of the network is decidedly a tertiary concern for low-income utility consumers unless the improvements translate into lower rates.

5) The distribution of the metrics between categories appears to be well-considered. We would add that our suggestions for including coverage, non-payment, and disconnection metrics would be a natural fit for the Network Support Services category.

6) As to the partnership models for generating income, we have the following suggestions with respect to each:

(A) Charging Stations: Our low-income clients are not likely to be able to afford private electric cars in the foreseeable future. As such, we are concerned that the construction of charging stations will represent an upfront cost for utility customers that will increase their monthly rates. Our research on electric vehicle use in America indicates that electric car commuters' residential charging capabilities are sufficient for their daily needs. Because many of these vehicles can go up to 300 miles on a single charge, it does not seem that Rhode Island would require enough of these charging stations to generate a revenue stream that would offset the cost of construction in the short term. Taking that into consideration, it would not seem that the construction and operation of charging stations would provide any net benefit to our clients.

(B) Shared Communications Infrastructure: As utility bills represent a large part of our clients' income, and many of our clients do not have access to residential high speed internet, we are highly in favor of your proposal to use the bandwidth requirements for the Grid Connectivity and Functionality Work Stream to "anchor" a public broadband network. Where they have been built, public broadband networks have been shown to improve the quality of and access to internet services while lowering their cost. You will have our full support in approaching local governments to make this proposal.

(C) Data Collection: While we wholeheartedly approve of using network technologies to improve the efficiency of energy delivery and therefore reduce environmental impact and cost to consumers, we have some concerns about the use of the data afterwards. To the extent that the data on personal electricity use is being stored, it needs to be stored securely. To the extent that it is being sold to third parties, the data either needs to be anonymized or customers need to be able to determine whether their data can be sold.

Conclusion:

While assessment of the future of the utility business model requires weighing many competing priorities, we urge that any model include as a core element the goal of reducing, and ultimately eliminating termination of service for nonpayment for low-income, residential consumers. To this end, we also urge that any metrics used to assess a utility's performance under its business model contain a metric measuring a utility's rate of success or failure in achieving this goal.