

Restoring the Balance in the Regulatory Compact

Marion S. Gold
Commissioner
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Outline

- ▶ State Legislative and Regulatory Framework
- ▶ Consumer Advocate Stakeholder Engagement Process
- ▶ Recent Rate Case: Improvements to Low Income Programs
- ▶ Next Steps: Consumer Advocacy Working Group

State Legislation Provides Framework

- ▶ Protection of low income customers is embedded in state legislation
- ▶ Six state statutes specifically require regulatory rules relating to termination of service and/or payment plans
- ▶ Legislation also provides additional funds, through a utility surcharge, for LIHEAP recipients
- ▶ Most recently, in 2016, legislation was passed to strengthen Arrearage Management Programs

Protected Classes: established through regulatory rules

- ▶ Elderly Protection
- ▶ Handicap Protection
- ▶ Seriously Ill Protection
- ▶ Infant Protection
- ▶ Financial Hardship Protection

RI Arrearage Management Plan

- ▶ Legislation passed in 2016 intended to make it easier for people to pay their overdue balance
- ▶ Applies to all eligible low-income residents whose service has been cut-off or are at risk of termination
- ▶ Customer must agree to participate in Energy Efficiency programs (ratepayer funded/utility managed) and apply for other service programs such as LIHEAP or weatherization

Specifics of Arrearage Management Plan

- ▶ \$0 down payment if service still on
- ▶ 25% if shut off (10% between now and Dec 31 per PUC emergency order)
- ▶ Forgiveness provided each month full payment is made: maximum forgiveness - \$1500/year
- ▶ 100% of remaining balance forgiven and removed from account if customer successfully completes plan

DPUC: More Outreach to Avert Service Terminations

- ▶ More education, including one-on-one counseling, about affordable, sustainable payment options
- ▶ Offer a range of 12 month payment plans with down payments ranging from 0% to up to 50% of arrearage balances
- ▶ Also a budget plan billing option - bill is a set amount each month based on average use over 12 month period



GUIDING THE FUTURE OF RHODE ISLAND'S ELECTRICAL GRID

THE GRID WAS BUILT FOR A DIFFERENT ERA



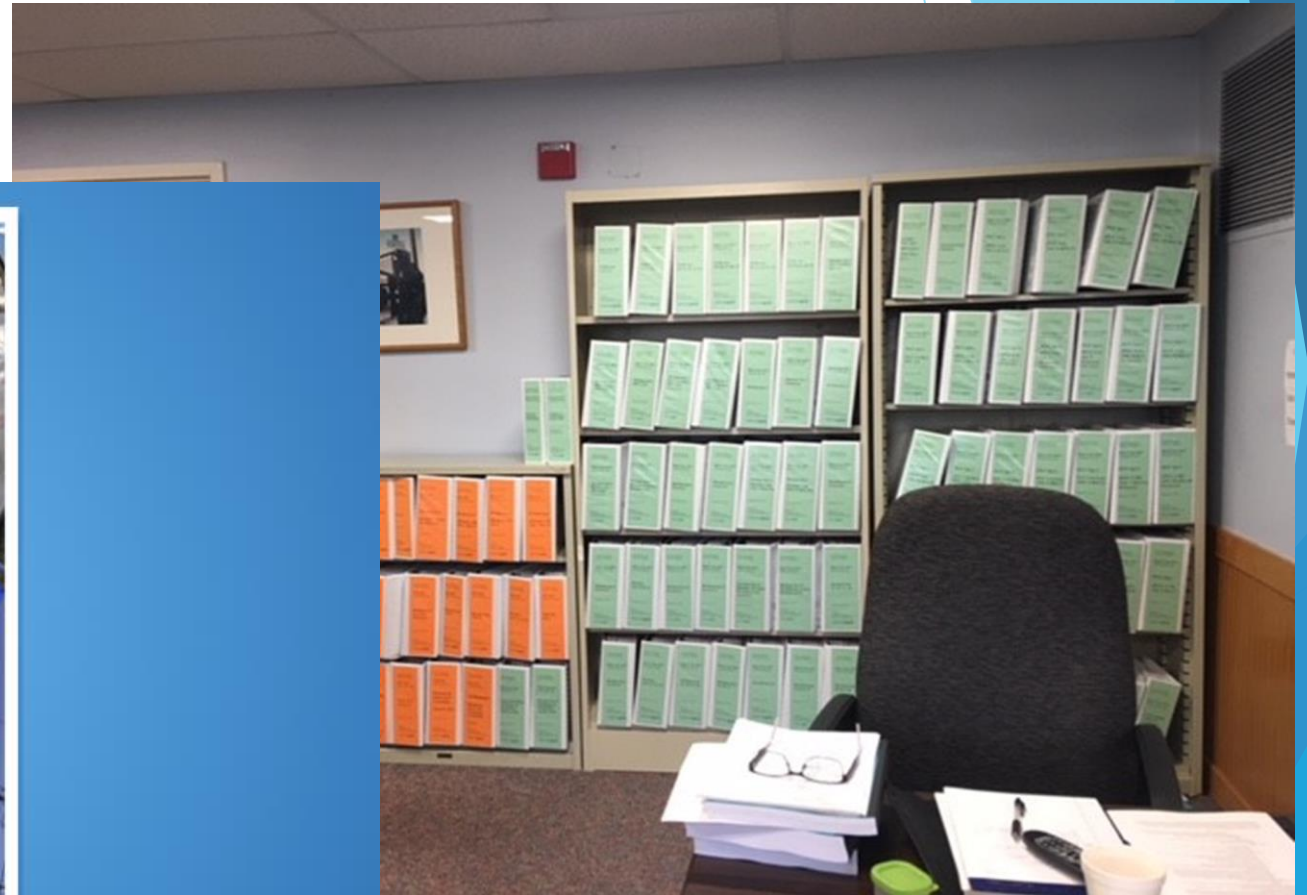
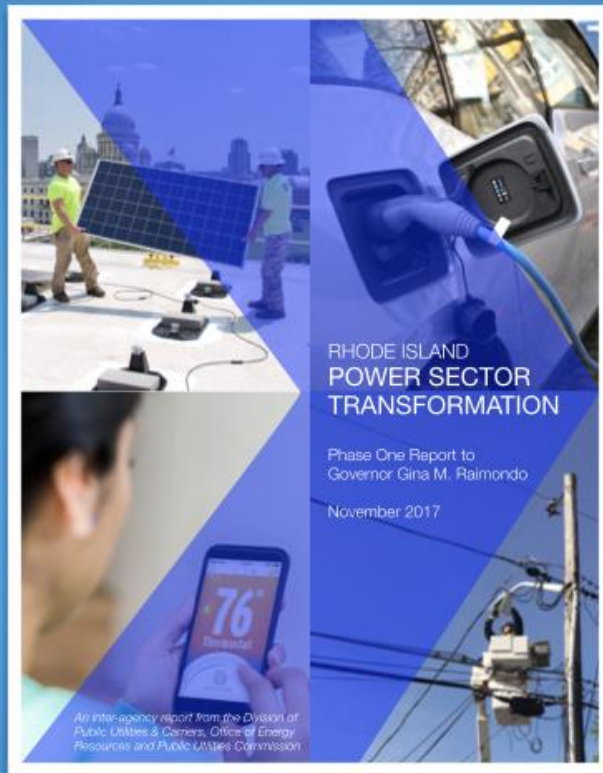
TODAY'S GRID IS BECOMING A TWO-WAY SYSTEM



Engagement of Consumer Advocates in Grid Modernization

- ▶ Docket 4600 - yearlong stakeholder process to investigate the modernization of rates in light of the changing distribution system
- ▶ Lead to a **Commission Guidance Document**
 - ▶ Goals for the Electric System
 - ▶ Rate Design Principles
 - ▶ Benefit Cost Framework
- ▶ Power Sector Transformation Stakeholder Process - LI advocates engaged - **not a PUC-lead process**

Power Sector Transformation Report & Utility Rate Case: November, 2017



How did Consumer Advocates Engage?

- ▶ Consumer advocate expert witness provided in-depth testimony of existing LI rate - a 25% discount on distribution charge only
- ▶ Found existing rate was not producing desired outcomes for LI customers or the utility, and by extension, all ratepayers

Proposed Modifications

- ▶ Move to a total bill discount
- ▶ Increase the depth of the discount
- ▶ Introduce a tiered element
- ▶ Improve reporting so effectiveness can be tracked

All Recommendations Approved in Rate Case Settlement

- ▶ As of September 2018, 25% discount off total bill (delivery and supply) for gas and electric customers
- ▶ Customers on Medicaid, General Public Assistance or Family Independence program receive an additional discount of 5% for a total bill discount of 30%

Additional Improvements

- ▶ More advocates hired to conduct targeted customer outreach and education on services available
- ▶ Specific direct outreach activities: direct mail; print and mobile advertising; outbound calling
- ▶ Pilot Programs to improve LI services:
 - ▶ home energy monitoring demonstration
 - ▶ low & moderate income personalization tool

Next Steps: Consumer Advocacy Working Group

- ▶ Report and track enrollment in LI discount rate
- ▶ Track the effectiveness of the new rates and rate design in making energy bills more affordable
- ▶ Collect other information needed to support more dynamic low-income-rate designs in the future
- ▶ Work to ensure LI population can access clean energy programs (renewable energy, EVSE, EE program, etc.)
- ▶ Insure information is publicly available and easily accessible

Long Term Goal

- ▶ Make energy bills more affordable
- ▶ Make payments more sustainable
- ▶ Improve comfort, safety, health in the community
- ▶ Reduce the termination/reconnection cycle
- ▶ Benefit all ratepayers and the utility

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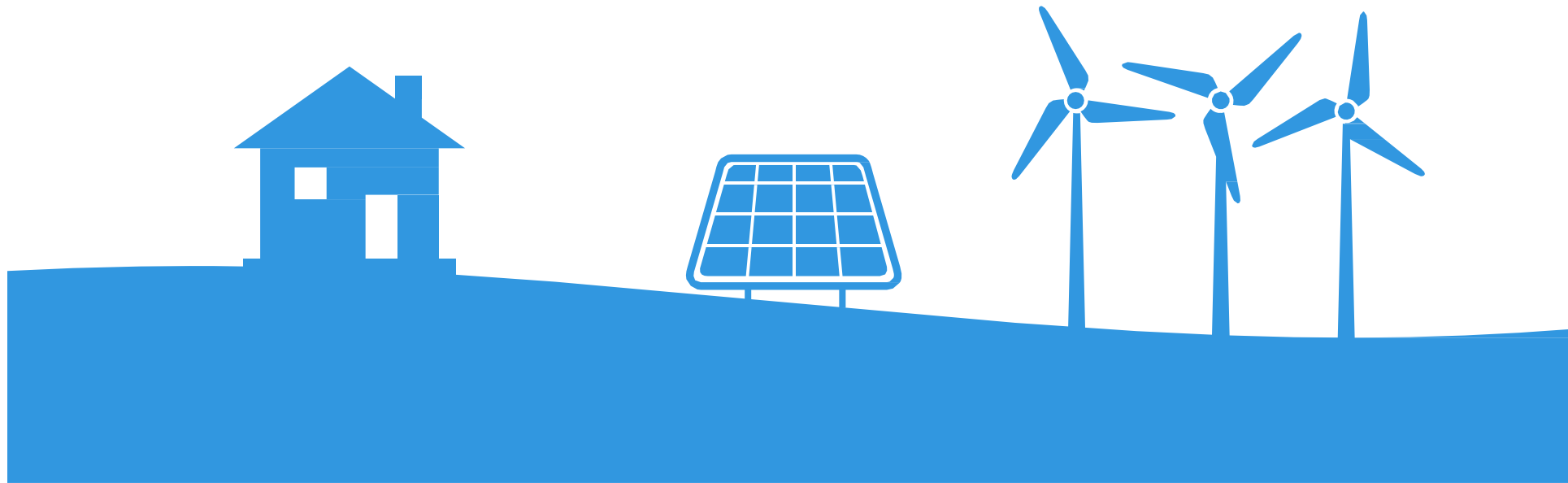
Thank You



RI POWER SECTOR TRANSFORMATION

Build a flexible grid to integrate more clean energy.

The Governor's goal of **1,000 megawatts of clean energy by 2020** will bolster our growing local clean jobs economy and help us meet state climate goals.



Control the long-term costs of the electric system.



Today's electric grid is built for peak usage. That's like constructing a **100-lane highway for Thanksgiving traffic**. New technology provides us with more ways to right-size the system to Rhode Islanders' needs.



Give customers more energy choices.

Clean energy technologies are **more affordable now than ever**. Our utility rules should allow consumers to access and enjoy creative solutions to manage their energy production and use.