Restoring the Balance in the Regulatory Compact

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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
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
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
Thank You
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.