

April 8, 2025

Senate Committee on Commerce
Rhode Island State House
82 Smith Street
Providence, RI 02903

Acadia Center Testimony in Support of Senate Bill 378, Intervenor Support Program

Dear Chair Britto, Vice Chair Sosnowski, and Members of the Senate Commerce Committee:

Acadia Center appreciates the opportunity to provide testimony in support of Senate Bill 378 establishing an intervenor support program. Acadia Center is a non-profit research and advocacy organization committed to advancing the clean energy future in the Northeast. Acadia Center's work is characterized by reliable information, comprehensive advocacy, and collaborative, innovative problem-solving.

Senate Bill 378 would establish an intervenor support program, often called an intervenor compensation program, in Rhode Island. The program allows qualifying intervenors in utility and siting board proceedings to receive financial compensation for participation – helping ensure that diverse perspectives are considered by decision makers. Intervenor compensation is a top priority for Acadia Center this session.

What is intervenor compensation?

Intervenor compensation is a program that provides funding for typically underrepresented groups to take part in utility and siting board proceedings.

In Rhode Island, the Public Utilities Commission (PUC) is tasked with regulating monopolies such as Rhode Island Energy. This regulation takes place through regulatory proceedings, which make important decisions related to how these monopolies operate. For our utility this includes rates set on ratepayers' energy bills, infrastructure spending, the rate of return (profit) the utility receives, and more. The Energy Facility Siting Board (EFSB) controls the siting of major energy facilities in the state through a similar regulatory process. Despite the importance of these decisions, regulatory proceedings are rarely visible or accessible to the public. In these regulatory proceedings, an 'intervenor' means a person or organization with an interest in the outcome of the proceeding has been allowed to formally participate in a proceeding at the PUC or EFSB. Formal participation can involve presenting evidence, hiring an attorney to represent them, hiring an expert witness to be cross-examined, and more.

Overall, intervening is an important process – however, it is clouded by power asymmetry. Utilities have the resources, attorneys, access to data, and deep institutional knowledge to participate in and dominate these proceedings. Utilities utilize ratepayer money to do so and can empower their own interests to receive a greater rate of return (profit) on their investments. Namely, utilities earn their profit on large capital expenditures, which includes infrastructure projects like substations, poles and wires, and are not incentivized to invest in operational, lower-cost, more efficient alternatives. This creates a misalignment in incentives as utilities push for costly capital spending approvals, which increases bills for ratepayers.

While the Division of Public Utilities and Carriers and the PUC do important work to represent ratepayers and vet utility proposals, they do not directly represent the interests of those who may be most impacted by proposals, such as low-income ratepayers, environmental justice communities, and under resourced municipalities. While these types of groups have much to gain from intervention, there is typically a high barrier to entry. This is because these groups would need the capacity and funding to investigate the regulatory process, including paying for lawyers and scrutinizing the information the utility provides. Therefore, intervenor compensation is critical to ensuring parity in utility and siting board proceedings.

Intervenor compensation would provide reasonable grant funding to cover the cost of lawyers, expert witnesses, and other costs related to the intervention process. Compensation would be provided to qualifying intervenors that have a stake in a proceeding but lack the resources to intervene. Notably, participation in and contribution to the proceeding does not mean the commission has to agree with the reasoning the intervenor presents. An intervenor compensation program aims to introduce new voices into the regulatory process and provide financial support to those who need assistance most. It is an important step towards fuller representation of impacted individuals or organizations within a traditionally uneven power dynamic.

How has intervenor compensation worked in other places, and what is its impact?

Historically, intervention and the compensation of intervenors have allowed groups to push back on excessive utility spending, encourage utilities to provide alternatives to large capital buildouts (which is not required under FERC Order 1000 currently)¹, pursue cost savings for ratepayers, seek bill credits for low-income ratepayers², and advocate for ratepayer interests generally.

Nationwide, there are more than 15 intervenor support programs currently active, including in Connecticut and Maine; Massachusetts was directed to create one as part of last year's climate bill. California's intervenor compensation program –commonly seen as the flagship program nationwide– found through an audit³ that every \$1 invested in their intervenor compensation program saw \$10 in return on investment for ratepayer savings.

Thank you for the opportunity to present this testimony on this important issue. If you have any questions or concerns, please do not hesitate to reach out.

Sincerely,

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¹ Institute for Local Self-Reliance. "Upcharge: Hidden Costs of Electric Utility Monopoly Power." June 2024.

² Rhode Island Public Utilities Commission. *Docket No. 24-31-EL - Rhode Island Energy - Last Resort Service Winter Rates for Effect October 1, 2024*. <https://ripuc.ri.gov/Docket-24-31-EL>

³ California State Auditor. *Audit report concerning the intervenor compensation program administered by the California Public Utilities Commission*. <https://information.auditor.ca.gov/pdfs/reports/2012-118.pdf>. July 2013.