

Direct Testimony

of

Jeffery M. Wright, President

Block Island Utility District d/b/a Block Island Power Company

Docket No.

March, 2021

1 **Q. Please state your name and business address for the record.**

2 A. My name is Jeffery M. Wright. My principal business address is 100 Ocean Avenue,
3 Block Island, Rhode Island 02807.

4
5 **Q. By whom are you employed and in what capacity?**

6 A. I am the President of the Block Island Utility District DBA Block Island Power Company
7 (BIUD).

8
9 **Q. Can you please describe your education and experience?**

10 A. I have an Associate Degree in Accounting and have worked for electric utilities since
11 1984 in various roles. I have been the President of the Block Island Power Company and
12 the newly formed Block Island Utility District since February 2017.

13
14 Prior to coming to Block Island, I was the Chief Operating Officer at the Vermont
15 Electric Cooperative (VEC), the state's second largest utility and largest electric
16 cooperative which served approximately 40,000 electric meters across nearly 1/3 of the
17 state of VT. I was responsible for the company's operations, including transmission and
18 distribution operations, substations, and system operations and engineering. I worked
19 closely with the company's CFO in developing long capital plans, long range financial
20 forecasting, negotiating long term real estate leases for siting utility scale solar projects,
21 and joint ownership agreements for transmission assets necessary to connect several large
22 renewable projects, such as the 63 MW Kingdom Community Wind Project located
23 within our service territory.

1 Prior to working for VEC, I worked at the Vermont Electric Power Company (VELCO).
2 In 1999 I became a member the company's Senior Leadership Team and was responsible
3 for managing the company's assets which included over 35 high voltage transmission
4 substations, more than 700 miles of high voltage transmission lines, all rights of way and
5 the company's facilities and fleet assets. I also managed the assets of the Vermont
6 Electric Transmission Company (VETCO) which owns and maintains Vermont's portion
7 of the 450 kV DC "Phase One" line.

8
9 **Q. What is the purpose of your testimony?**

10 A. The purpose of my testimony is to sponsor the BIUD's Energy Procurement Plan and
11 Last Resort (formally Standard Offer) and Transmission Rate filing.

12
13 **Q. Has the BIUD Board of Commissioners approved this Procurement Plan and Last**
14 **Resort and Transmission Rate filing?**

15 A. Yes. The Board has reviewed the filing and formally approved the Procurement Plan and
16 Last Resort and Transmission Rate filing in our open board meeting on Saturday March
17 27, 2021. The Board also spent considerable time during past open meetings
18 contemplating energy procurement strategies that minimize energy supply expenses
19 while integrating affordable renewable resources as a way of supporting Rhode Island's
20 climate change goals.

1 **Q. Can you explain how Energy New England (“ENE”) supports BIUD with its power**
2 **supply and transmission activities?**

3 A. Our power supply and transmission consultant ENE works with BIUD to seek the lowest
4 cost energy and capacity supply that aligns with the BIUD’s goals. ENE has helped
5 secure master contracts for BIUD with several suppliers and conducts our supply
6 solicitations for us when we are purchasing energy. ENE also handles our daily activities
7 with the ISO-NE.

8
9 **Q. Can you briefly describe BIUD’s power supply goals since connecting to the**
10 **submarine cable and shutting the diesels off?**

11 A. BIUD’s goals to date have been to minimize power supply contract prices and hedge our
12 resource requirement as close to 100% as possible to minimize risk from fluctuating real
13 time prices. Since May 2017 when the Block Island Power Company (“BIPCo”) first
14 connected to the submarine cable, we have executed three low cost 18-month load
15 following contracts. The first two contracts were 100% load following contracts. The last
16 contract, which is in place through October 31, 2021, is a 90% load following contract to
17 adjust for the low-cost hydropower NYPA contract which we became a party to in
18 September 2019.

19
20 **Q. When did BIUD begin receiving power from NYPA?**

21 A. BIUD’s began receiving its residential load ratio share of the Rhode Island allocation
22 several months after purchasing the assets of BIPCo on March 25, 2019. The first month
23 that BIUD received power from NYPA was September 2019.

1 **Q. Can you explain how BIUD's power supply goals have evolved?**

2 A. BIUD recognizes that although load following supply contracts tend to be low cost and
3 low immediate risk, they are short term in nature and do not protect against long term
4 price increases. In our efforts to stabilize power supply prices over the long term, our
5 strategies have evolved to seek longer term contracts.

6
7 **Q. Has BIUD's goal of being 100% hedged changed?**

8 A. BIUD's goal is still to be as hedged as possible without having excess energy that would
9 need to be sold back into the ISO-NE market.

10
11 **Q. Has BIUD entered into any other purchase power agreements that support the**
12 **longer-term goals that you describe?**

13 A. Yes. BIUD has recently executed three longer term contracts that are all subject to
14 approval of this procurement plan by the Public Utilities Commission. They are all
15 competitively priced renewable resources with contract terms between ten and twenty-
16 five years. Each contract includes renewable energy attributes. The earliest that BIUD
17 will receive energy from these three contracts is in January 2022. Each contract helps
18 ensure longer price stability by offering fixed prices during the contract periods. Each
19 contract is renewable, includes renewable attributes and is competitively priced with our
20 resources. Tim Hebert of Energy New England has described each contract in detail in
21 his pre-filed testimony.

1 **Q. Does BIUD plan to sell the renewable energy attributes it receives from these**
2 **contracts and any future renewable contracts?**

3 A. Yes. BIUD is planning to sell the renewable energy attributes to minimize its power
4 supply expenses and keep rates as low as possible. BIUD has had ongoing discussions
5 with the RI Office of Energy Resources regarding the state's future goals to move toward
6 renewable resources. BIUD will continue to consider how we may support the state's
7 goals while minimizing the cost impact to its members by seeking out competitively
8 priced renewable resources. Block Island still has some of the highest electric rates in the
9 country and we regularly hear from our members that we should do everything possible
10 to lower their costs. This is a balance that we feel is becoming easier to find as the price
11 of renewable resources is becoming more competitive.

12
13 **Q. Does BIUD plan to seek out additional long-term contracts that will further**
14 **diversify its portfolio?**

15 A. Yes. BIUD will work closely with ENE to seek out competitive longer-term contracts
16 that benefit our members by delivering price stability and least cost energy prices. At the
17 same time, the BIUD Board of Commissioners, along with its members in open board
18 meetings, will further develop our evolving power supply strategy.

19
20 **Q. How often does BIUD plan to update its Procurement Plan?**

21 A. BIUD will update its plan annually along with its annual Last Resort and Transmission
22 reconciliation filing.

1 **Q. Does this conclude your testimony?**

2 **A. Yes.**

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