Rhode Island Energy submits potential winter electric supply prices for review; customers to see smaller bill impacts than previous season

Electricty supply prices were lowered in April for summer rate season; overall bill impact of 24% significantly less than last winter's increase

PROVIDENCE, RI (*July 25, 2023*) – Rhode Island Energy (RIE) delivers electricity to its customers, but it doesn't own the power plants where that electricity is generated. For those customers not on a community aggregation plan or using an alternate supplier, Rhode Island Energy must secure enough electricity to power its customers' homes and businesses through competitive energy auctions. The price of energy supply is then passed on to customers with no markup, and the company makes no profit on this component. Electricity supply prices are adjusted for most residential and commercial customers twice a year. Typical for the New England region, these prices are lower in the summer when consumers are using more electricity to cool their homes and businesses, and they are higher in the winter seasons. Lower supply rates took effect on April 1 and will remain unchanged until October 1.

As required by Rhode Island state regulators, today RIE filed electric supply prices for the upcoming winter season. These prices are only applicable for those customers who utilize the company's default rate, also known as Last Resort Service. These prices do not apply to those customers now on a community aggregation plan or choosing to use an alternate supplier, which accounts for approximately 30% of Rhode Island Energy distribution customers.

"As anticipated, this upcoming winter's supply prices are on par with what we experienced last season," said Dave Bonenberger, president of Rhode Island Energy. "We all saw in our own homes and businesses how these commodity prices can impact a bill, so it's more important than ever that customers become familiar with ways they can reduce their energy use and know about the resources available to them to help manage energy costs in the coming months."

Supply prices cover the energy you consume while powering your home or business; delivery prices encompass what it costs the local utility to deliver the energy you use and restore power when there is storm damage. Electricity supply prices are determined by suppliers of electric generating facilities, which RIE does not own. These costs are then passed on to customers without markup or profit. The higher-than-usual winter supply prices that customers experienced last year and will see this upcoming winter are due to several ongoing market conditions that are impacting most sectors of the economy, including higher natural gas price and other global economic events. Considering that such a significant amount of electricity generation is driven by natural gas on the wholesale energy market, when the price of natural gas goes up, it has a significant impact on the price of electricity.

As filed, the winter price for a residential customer using the default rate from October 2023 through March 2024 would be 17.741¢/kWh, up from the current price of 10.341¢/kWh. This price is expected to come back down in April. Customers can also expect to see a decrease in the customer charge from $12 to $6 per month on their bills effective October 1. The resulting impact of these changes on a typical residential customer using 500 kWh per month is an increase of $32.29 per month, or 24%. Last winter the supply price for residential customers was 17.785¢/kWh, who experienced a monthly bill increase of roughly $52 per month, or 46%.

"Knowing these higher prices were coming, we're grateful that Rhode Island's elected officials had the foresight to pass legislation this year that will suspend the gross earnings tax on our customers' bills from December through March," Bonenberger added. "That will help decrease bills a bit, and we'll continue to work with state leaders on other ways to help the most vulnerable."

There are several actions customers can take to help minimize the impact of this change on their electric bills:

• **Shop for electricity**: We encourage customers to use the Last Resort Service rates as a reference point when shopping for the electricity supplier that offers the service and price that is right for them. If customers do choose to shop for a supplier, we encourage them to pay attention to the specific terms of the agreements they sign. Sometimes suppliers offer introductory offers or special incentives. Customers should be aware of variable rates that often start low and then increase significantly with the price of energy. For tips on smart shopping, visit: https://www.ri.gov/app/dpuc/empowerri.

• **Save energy**: Reducing the amount of energy used at a home or business can save customers money on their monthly bills.

Rhode Island Energy offers tips, programs, and rebates that can help. Residential customers can also sign up for a free home energy audit. For more information, visit: RIEnergy.com.

• **Get bill assistance**: We offer numerous programs and tools – including budget billing and payment plans – to help customers who are having trouble keeping up with their electric bills. To learn more, visit RIEnergy.com or call us 1.800.RIE (743).1104.

In the weeks ahead, the state's Public Utilities Commission will review the proposed LRS rates and likely hold a hearing on them before making a decision on whether or not they will be implemented.

About Rhode Island Energy

Rhode Island Energy provides essential energy services to over 770,000 customers across Rhode Island through the delivery of electricity or natural gas. Our team of more than 1,300 employees is dedicated to helping Rhode Island customers and communities thrive, while supporting the transition to a cleaner energy future. Rhode Island Energy is part of the PPL Corporation (NYSE: PPL) family of companies addressing energy challenges head-on by building smarter, more resilient and more dynamic power grids and advancing sustainable energy solutions. For more information visit www.RIEnergy.com and stay connected on Twitter, Facebook, and Instagram.

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