



**MAYOR BRETT P. SMILEY**  
CITY OF PROVIDENCE

April 1, 2024

Joseph J. Solomon, Jr.  
Chair, House Corporations Committee  
82 Smith Steet  
Providence, RI 02903

Dear Chair Solomon and members of the Committee:

The City of Providence thanks Representatives Slater, Morales, DeSimone, Stewart, Diaz, Alzate, Potter, and Cruz for supporting H 7286 and S 2366 and the creation of a percentage of income payment plan.

On behalf of the City of Providence's Department of Sustainability, I write in support of House Bill 2024 – H 7286 and Senate Bill 2024 – S 2366, both entitled Relating to Public Utilities and Carriers – Public Utilities Commission. This bill, which would create a percentage of income payment plan (PIPP), would offer significant relief to low- and moderate-income households struggling to pay high energy bills by capping costs at 3%-6% of household income.

According to the U.S. Department of Energy, "low-income households spend a larger portion of their income on home energy costs than other households spend... One recent study found that low-income households face an energy burden three times higher than other households. High energy burdens can threaten a household's ability to pay for energy, and force tough choices between paying energy bills and buying food, medicine, or other essentials."

In 2019, the City of Providence developed the Climate Justice Plan. The plan confirms DOE's assessment, stating that, "a 2016 report from the American Council for an Energy-Efficient Economy (ACEEE) found that low-income households in Providence spend 9.5% of their income on energy, compared to just 4.7% for all other households." At the time this report was published, this put Providence fifth highest in the country for low-income energy burden.

Energy costs are largely outside the control of low-income households. These households often live in older homes with leaky envelopes and little insulation. When developing the Climate Justice Plan, a common concern voiced by low-income residents was the inability to keep their homes warm in the winter or cool in the summer. Further, most low-income households rent their homes, so have little ability to make improvements that would lessen their energy usage and costs.

The Climate Justice Plan's Housing and Buildings chapter includes a target to reduce Providence's low-income energy burden to less than 5%, and specifically recommends creating protections for low-income residents through a

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percentage income payment plan. Given the disproportionate negative impact of high energy costs on low- and moderate-income residents, and the limited ability for these residents to address the root causes of these impacts, a percentage income payment plan is an appropriate remedy. Enacting this bill will help ensure our state's most vulnerable residents don't have to pick between being warm, fed, or healthy. Thank you for your consideration.

Sincerely,



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Priscilla De La Cruz, Acting Director of Sustainability

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