

March 20, 2025

The Honorable Joseph J. Solomon, Jr.  
Chairman, House Corporations Committee  
Rhode Island State House  
Providence, Rhode Island 02908

**RE: H-5245 – Relating to Public Utilities & Carriers – Percentage of Income Payment Program**

Dear Chairman Solomon:

On behalf of Rhode Island Energy, I write regarding H-5245, which would authorize the Public Utilities Commission (PUC) to approve a tiered percentage of income payment program (PIPP) for electric and natural gas customers. Our Company is committed to working with policymakers, regulators, and other valued stakeholders to explore viable policy and regulatory pathways that support energy affordability for all customers.

Rhode Island Energy provides essential energy services to more than 770,000 customers across the state through the delivery of electricity and natural gas. Our team of 1,400 union and non-union employees is dedicated to helping Rhode Island customers and communities thrive, while supporting the transition to a cleaner energy future in a safe, reliable, and affordable manner.

Rhode Island Energy appreciates the leadership shown by Representative Slater and community advocates in seeking ways to help utility customers better manage their energy cost burdens. This is a value important to Rhode Island Energy, too. Today, **Rhode Island Energy supports its customers through several assistance programs, including: 25-30% bill discounts for qualified customers, an Arrears Management Program, budget and balanced billing, LIHEAP Enhancement Fund collections, and energy efficiency services offered at no-cost for qualified customers.**<sup>1</sup> We also connect our customers to other federal, state, and community-run programs that offer direct utility bill relief. This suite of offerings, along with other available assistance opportunities, are intended to increase energy affordability for those customers who need it most.<sup>2</sup>

To optimize outcomes and ensure that both participating and non-participating customers are adequately protected, **consideration of any PIPP-like rate structure must take place within the context of overall electric and natural gas rate design.** For example, if not carefully designed, the possibility exists that customers accessing payment assistance programs today could see those benefits reduced or otherwise beyond reach under a new rate structure. Thoughtful alignment with other assistance offerings will be critical to limit those potential outcomes. **It will also be important to consider incremental programmatic and administrative costs (including billing systems impacts) that may be incurred by Rhode Island Energy (or other parties) to implement a PIPP program – costs which may ultimately be recovered from electric and natural gas customers.**

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<sup>1</sup> For information on available assistance programs, visit: [www.rienergy.com/site/ways-to-save/assistance-programs](http://www.rienergy.com/site/ways-to-save/assistance-programs).

<sup>2</sup> Rhode Island Energy also hosts Customer Assistance Expos in local communities, which provide a “one-stop shop” for customers seeking utility and other types of assistance from partner organizations, such as the United Way and DHS. Our next expo will be held on March 25, 2025, from 2:00–5:00 PM, at the North Kingstown Free Library.

Finally, **it must be stressed that current utility assistance programs result in significant costs that are recovered from non-participating utility customers through electric and natural gas bills.** For instance, the existing 25-30% bill discount cost \$25.7M in 2023; the Arrearage Management Program cost \$1.85M in 2022; and the Company's energy efficiency programs for income-eligible customers was budgeted for nearly \$24M in 2024.<sup>3</sup> Also, Rhode Island General Laws require Rhode Island Energy to collect an additional \$7.5M from its customers to support the LIHEAP Enhancement Program.<sup>4</sup> Any change to existing rate structures must be mindful not only of our most vulnerable customers, but of all other utility customers, too.

Please know that Rhode Island Energy takes energy affordability seriously. To that point – and to help inform future discussions on this topic – we are actively working to quantify the potential costs and resources necessary to implement a PIPP for electric and natural gas customers. It is important that state policymakers, regulators, and other stakeholders have a fuller accounting of these impacts before advancing any new laws.

Rhode Island Energy looks forward to working with the bill's sponsors, utility regulators, and other stakeholders on these and other important matters in the weeks ahead.

Thank you for your consideration of these comments.

Respectfully,



Nicholas S. Ucci  
Director of Government Affairs

CC: The Honorable Members of the House Corporations Committee  
The Honorable Scott A. Slater, Rhode Island House of Representatives

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<sup>3</sup> Low Income Discounts and Funding Sources, April 2024, Division of Public Utilities & Carriers. Available at: <https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-04/Low-Income%20Ratepayers%27%20Discount%20and%20Funding%20Sources%20-%20Regulatory%20Topic%20Overview%20%2804-2024%29.pdf>.

<sup>4</sup> R.I. Gen. Laws § 39-1-27.12.