



March 20, 2025

The Honorable Joseph J. Solomon, Jr., Chairman
House Corporations Committee
State House
Providence, RI 02903

Re: H.5245, An Act Relating to Public Utilities and Carriers – Public Utilities Commission

Dear Chairman Solomon,

The undersigned members of the Rhode Island Business Coalition oppose the passage of H.5245, An Act Relating to Public Utilities and Carriers – Duties of Utilities and Carriers.

This legislation requires the Public Utilities Commission (RIPUC) to review and approve a tiered rate system for residential electric and natural gas customers. The program is designed to assist households with incomes at or below 150% of the federal poverty level. Each tier would provide a discount on utility costs such that the household would not pay more than 3% of its income on utility costs if electric is not the source of heating for the residence, and 6% of the income if the residence utilizes electricity as a primary heat source.

While we appreciate the desire to provide financial assistance to low-income households, H.5245 pays for the program by shifting the cost of the discounts and related administrative costs to the remaining ratepayers. The federal Energy Information Agency gathers data to rank states on energy use, production and price. The Energy Information Agency's December 2024, data suggests Rhode Island has the sixth highest average residential electricity rate in the country, second highest average commercial rate and the second highest average industrial rate.¹ To transfer even more rate costs to other residential, commercial and industrial users places a higher burden on those sectors, decreases the incentive for those entities to switch to electricity for other activities, and further hinders our ability to attract businesses and jobs to the state.

¹ U.S. Energy Information Administration, Electric Power Monthly, December 2024, Average Price of Electricity to Ultimate Consumers by End-Use Sector.

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

For these reasons, the Coalition opposes the passage of H.5245.

Sincerely,

Associated Builders and Contractors – Rhode Island

East Greenwich Chamber of Commerce

Propane Gas Association of New England

Rhode Island Business Group on Health

Rhode Island Lumber and Building Materials Dealers Association

Rhode Island Manufacturers Association

Rhode Island Staffing Association

Small Business Economic Summit Regulations Committee

Small Business Economic Summit Tax and Budget Committee

cc. House Corporations Committee members