



March 19, 2025

House Committee on Corporations
Rhode Island State House
82 Smith Street
Providence, RI 02903

Testimony in Support of House Bill 5245, House Bill 5068, and House Bill 5815

Dear Chair Solomon and Members of the House Corporations Committee:

Roots 2Empower appreciates the opportunity to provide testimony in support of House Bill 5245 and House Bill 5068. Roots 2Empower fosters an equitable, community-driven transition to a regenerative future. These bills address the urgent issue of high energy burden which disproportionately impacts low-income households and communities of color. House Bill 5245 authorizes the Public Utilities Commission (PUC) to create a Low Income Home Energy Assistance Program ("LIHEAP") Enhancement Plan to supplement the federal LIHEAP funding received by eligible customers of Rhode Island's electric and gas distribution companies. House Bill 5068 extends the forbearance of utility terminations for customers with serious illness certifications. House Bill 5815 establishes an intervenor support program to ensure there is equitable access to participate in shaping our energy system as an intervenor in PUC proceedings.

H5245: Why a Low-Income Home Energy Assistance Program Enhancement Plan?

Utilities are a basic need and low-income households and communities of color are disproportionately energy insecure. Energy insecurity results from a high energy burden (cost of energy bills relative to income). In the United States, when this ratio exceeds 6% it's considered a high burden and when it exceeds 10% it's deemed severe. According to the U.S. Department of Housing and Urban Development, a household is considered rent-burdened if it spends more than 30% of its gross income on housing costs, including rent and utilities.

According to HousingWorks RI's 2024 report, more than a third of Rhode Island households are rent-burdened. Moreover, the report states that homeownership rates for Black, Hispanic, and Asian Households are 9, 14, and 8 percentage points lower than U.S. rates respectively. Those who rent and are low-income are the least able to invest in energy efficiency measures and are most likely to live in poor-quality, inefficient buildings. This may look like dated, malfunctioning, or nonexistent heating and cooling equipment; poor insulation; drafts; and reliance on older systems and appliances. As a result, behavioral adjustments to reduce energy consumption alone are insufficient in addressing the cost burden of these households. Furthermore, evidence shows that affordable units developed through low-income housing programs are less energy efficient than similar unsubsidized buildings, despite government supervision and subsidy.¹

¹ Constantine E. Kontokosta, Vincent J. Reina & Bartosz Bonczak (2020) Energy Cost Burdens for Low-Income and Minority Households, Journal of the American Planning Association



Families with high energy burdens have fewer financial resources available for other basic needs such as housing, food, clothing, childcare, medical expenses, digital access, and transportation which exacerbates and compounds the burden of inequities. To cope, families might make dangerous trade-offs, such as forgoing food or medicine or not running an air conditioning unit in extreme temperatures because of cost concerns. Multiple studies link energy insecurity and adverse outcomes in mental health, respiratory health, thermal stress, sleep quality, and child health. Children in households experiencing even moderate energy insecurity are at greater risk of food insecurity and hospitalization, and parents are more likely to report the child was in fair or poor health. Families facing severe energy insecurity more often reported significant developmental concerns. Studies also indicate that children experiencing the dual hardship of food and energy insecurity were more likely to exhibit withdrawn, depressed, and rule-breaking behavior than children with a single hardship or none at all.²

As extreme weather increases due to climate change, those with a severe energy burden face a higher risk of adverse health impacts. The risk is even higher for those affected by urban heat islands and tree cover inequalities. A recent RIDEM analysis found that some Providence neighborhoods can be up to 13 degrees Fahrenheit hotter in the afternoon, a disparity linked to historic redlining, limited tree cover, and chronic underinvestment. High and severe energy burdens are systemic issues requiring a systemic policy solution. This legislation is just that: addressing the cause of inequity by alleviating the energy burden and ensuring eligible low-income ratepayers pay a fixed percentage of their income on their utility bills.

What does the LIHEAP Enhancement Plan do?

The LIHEAP Enhancement Plan (LIHEAP-EP) would provide a fixed per-bill discount for households whose income is at or below 150 percent of the federal poverty level and eligible to receive assistance through the existing LIHEAP program or enrolled in Medicaid. The legislation designs the fixed per-bill discount to approximate an average annual electric expense of no more than 3 percent of the income of customers who do not use electricity as their primary source of heat, or 6 percent of the income of customers who use electric as their primary source of heat. This cap aligns with the average statewide energy burden, which is 4 percent according to the U.S. Department of Energy.

This program would be paid for through a monthly “LIHEAP enhancement charge rate” developed by the Department of Human Services of no more than \$10.00 per year for both electric and gas distribution customers. The fee would be subject to approval by the PUC. The legislation caps annual revenue from the LIHEAP-EP at \$7,500,000 and sets a minimum amount of \$6,500,000. The legislation also directs the PUC to establish a maximum annual benefit with input from the electric distribution company; and enables them to consider a targeted annual average expense for the program.

² “Energy Insecurity And Health: America’s Hidden Hardship, ” Health Affairs Health Policy Brief, June 29, 2023 .



Addressing Concerns

One concern that is raised is that lower rates may encourage greater usage. Low-income households are naturally incentivized to conserve energy. As referenced earlier in this testimony, households with high to severe energy burdens are already making dangerous trade-offs to the determinant of their family's health. In fact, state data shows that consumers who pay the discounted rate (A-60) use less energy than those paying the basic rate (A-16). The legislation addresses this concern by capping annual usage as described in the previous section.

Another concern is how the cost of subsidizing low-income rates would impact remaining customers. The LIHEAP-EP would apply only to a small subset of ratepayers whose income is at or below 150% and are also eligible for LIHEAP or Medicaid. In addition, the details of how this program would be funded will be determined by the PUC with input from stakeholders. There are various opportunities for funding this program that could shield low and middle-income households from increases. The PUC could choose to place the cost burden on the highest energy usage customers. This option may provide for greater equity since energy prices are structured such that the grid operator must dispatch the lowest-cost energy option of participating companies first. Therefore, the more energy demand on the grid, the more likely utilities need to call on more expensive sources of power, which can lead to higher rates for everyone.

Success in Other States

Income-based rates are offered in several other states, including New Hampshire, Maine, New Jersey, Illinois, California, and notably Pennsylvania, where Rhode Island Energy's parent company, PPL Electric also operates. Rhode Island used to have a percentage of income payment plan in the late 1980s but it phased out due to cuts in federal LIHEAP funding. New York State recently launched an 'Energy Affordability Guarantee' pilot that pairs fully subsidized efficiency and heat pump retrofits with a 6% cap on ongoing electricity costs for participating customers.³

When ratepayers are unable to pay their bills, eventually the energy company sells the debt to collection companies at a fraction of the cost. Setting income-based rates that are accessible to ratepayers ensures that utilities are affordable and ratepayers can equitably contribute to our energy system.

House Bill 5068: Non-termination for persons who are disabled, seriously ill, or elderly

As referenced earlier in this letter, energy-burdened households often need to make dangerous trade-offs between one basic need and another. For persons who are disabled, seriously ill, or

³ Governor Hochul Announces Transformative Investments in Energy Affordability, Building Efficiency, and Clean Air and Water. (2023)
<https://www.nyserda.ny.gov/About/Newsroom/2023-Announcements/2023-1-10-Governor-Hochul-Announces-Transformative-Investments-in-Energy-Affordability>



Roots 2Empower

Fostering an equitable, regenerative future.

166 Valley Street
Providence, RI 02909
contact@roots2empower.org
401.440.0665

elderly, the impacts of these trade-offs can be even more grave. Furthermore, the energy debt only continues to build with little to no options for repayment as these individuals are limited in their opportunities for increasing income and/or reducing consumption and should not be penalized for it.

The cost of this program would be minimal, applying to a small percentage of Rhode Islanders yet it could provide a life-saving measure for these individuals.

House Bill 5815: Establishing a PUC intervenor support program

The ability to intervene in a utility proceeding is essential to ensuring all utility customers' interests are adequately represented. Intervening in a proceeding with the PUC or Energy Facilities Siting Board (EFSB) is a costly endeavor. As a result, corporate interests are disproportionately represented, overshadowing the interests of Rhode Islanders that sustain our energy systems as consumers and ratepayers. Many other states in our region, including Connecticut and Massachusetts, have programs similar to the one proposed in this legislation to ensure that organizations or municipalities have the funding necessary to participate in proceedings at the PUC or EFSB. Data on a similar program in California demonstrated a return on investment for ratepayers in improving affordability and accountability in utility spending. This legislation establishes a standardized process for organizations and entities representing the interests of residential customers, such as public health, environmental justice, energy efficiency, cost-saving measures, etc. to request funding and determine eligibility for who will receive that funding based on availability.

Thank you for your consideration of these important bills to advance energy justice in our state at this pivotal time in the transition to a clean energy economy.

Sincerely,

Nicole DiPaolo
Program Director
ndipaolo@roots2empower.org
(401) 440-0665