

March 20, 2025

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

**RE: H-5813 – Relating to Public Utilities and Carriers – Cap on Energy Distribution Fees**

Dear Chairman Solomon:

On behalf of Rhode Island Energy, I write in **opposition** to H-5813, which would prohibit any increase in transmission and distribution “fees” for two years, unless otherwise approved by the General Assembly. **If passed, this legislation would jeopardize the safe and reliable delivery of energy services across Rhode Island, further inflate energy costs for Rhode Island customers over time, and may violate the separation of powers doctrine.** We respectfully urge the Committee to reject this bill in its entirety.

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.

Transmission and distribution rate adjustments are approved as part of comprehensive, transparent, and evidence-based review processes. That process, led by the Public Utilities Commission (PUC), helps determine what costs the utility prudently incurs to support customers’ needs and ensure the safe and reliable delivery of electricity and natural gas across Rhode Island.

Arbitrary limits, such as the one proposed in H-5813, would likely create significant cost recovery deferrals and cash flow issues for the utility, as Rhode Island Energy has an obligation to serve and deliver energy to its customers when called upon. Generally, any such deferrals must ultimately be recovered from customers and, consequently, this bill could have the effect of *increasing* costs for energy consumers over time.

Importantly, utility rates can be impacted by a multitude of issues, some of which are beyond the utility’s direct control. As an example, this legislation could limit the adjustment of rates to recover costs from storm damage or prevent the recovery of prudently incurred transmission costs based on rates set by the Federal Energy Regulatory Commission (FERC). Additionally, the utility must be able to recover costs associated with implementing statutorily mandated programs that advance public policy mandates, including those supporting clean energy and climate objectives. Removing that ability may slow down or stop entirely the advancement of such programs.

Additionally, and of equal importance, there are significant legal questions about the legality of this bill. First, the PUC has exclusive authority over the setting of just and reasonable rates pursuant to R.I. Gen. Laws § 39-1-1. This is a power conferred upon the agency by the

legislature. Moreover, both the General Assembly and the PUC have already adopted and authorized numerous regular adjustments to distribution rates, such as the annual infrastructure, safety, and reliability investment plan and associated rate recovery mechanism. In light of this existing legal and regulatory structure, the proposed legislation would substitute the PUC's authority over rates for that of the legislature in violation of the separation of powers doctrine.

Further, the Federal Energy Regulatory Commission (FERC) has exclusive authority under federal law to establish and regulate transmission rates which, under existing law, the utility passes on to customers – without adjustment. This bill would infringe upon powers granted to and exercised by the FERC in violation of the federal preemption doctrine.

Rhode Island Energy appreciates the opportunity to comment on this proposed legislation and respectfully asks that the Committee reject H-5813 in its entirety.

Thank you for your attention to this matter.

Respectfully,



Nicholas S. Ucci  
Director of Government Affairs

CC: The Honorable Members of the House Committee on Corporations