



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

Administration
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April 24, 2025

The Honorable Joseph J. Solomon, Jr.
Chairman – House Committee Corporations
State House
Providence, R.I. 02903

Re: **H 5580 – An Act Relating to Public Utilities and Carriers – Net Metering**

Dear Chairman Solomon:

The proposed legislation would permit net-metering systems with a nameplate capacity equal to or less than twenty-five kilowatts (25 kW) to be exempt from requirement that the system size be based on prior consumption. The measure would also permit these systems to be compensated for all generation beyond 100% of consumption, with no cap. Finally, the proposed changes include a long overdue move to adjust the value of the excess net-metering credit; in this case to the wholesale rate.

Despite the proposed change to the value of the excess net metering credit, The Division of Public Utilities & Carriers (Division) cannot support this legislation, as proposed. Any expansion of the net-metering program will carry additional costs at a time when Rhode Island ratepayers have made it clear that they are struggling tremendously to manage their electric bills.

In 2014, the annual cost to Rhode Island ratepayers to cover the first-year operating loss on the net-metering program created under R.I. Gen. Laws §39-26.4 was \$177,080. From 2022 to 2023, the annual loss on the program essentially **doubled** from \$46,070,988 to \$92,218,200. By 2024, in its eleventh year of operation, the annual loss had sky-rocketed to \$111,374,524. The total program loss paid by ratepayers for this **one** eleven-year renewable energy program is \$345,549,204.¹

Current compensation awarded by ratepayers to net-metering customers, including utility scale developers (with some exceptions) includes the sum of last resort service, distribution,

¹ See Exhibit 1 attached, "Narragansett Electric Annual Renewable Energy Costs."

transmission and transition charges.² In addition to this compensation, the net-metering customer may receive revenue for the renewable energy credits (RECs) created by the facility. This compensation structure has led to the massive financial impacts for ratepayers identified above. Rhode Island is in the minority of states that has not comprehensively reviewed net-metering compensation, via net-metering reform laws.³ “Over the last few years, dramatic changes to net-metering policies have become common discussions across the country, with major reforms under consideration or already adopted in more than half of U.S. states in 2024, including the largest state solar market – California.”⁴ As stated above, the Division recognizes that this legislation would adopt the wholesale rate for excess net-metering credits. While we support adjustment of excess net-metering compensation, we urge a comprehensive review of net-metering compensation.

According to the most recent Interconnection summary prepared by Rhode Island Energy for its Renewable Interconnection Quarterly Meetings, there are currently 551.96 MWs of installed name-plate capacity of solar in Rhode Island. Of these MWs, net-metering accounts for 151.66 MWs, virtual net-metering accounts for 261.26 MWs, and Renewable Energy Growth Program accounts for 136.29 MWs. Alarming, for ratepayers, there are an additional 545.21 MWs of nameplate capacity waiting in the interconnection queue. Rhode Island customers have vocalized their tremendous difficulty in managing their electric bills, *without* the additional 545.21 MWs waiting in the interconnection queue or the unknown number of additional MWs outside the current cap that this legislation could create.

Therefore, The Division of Public Utilities & Carriers opposes any expansion of net-metering without an in-depth review of remuneration reforms, as unaffordable to Rhode Island ratepayers.

Sincerely,

A handwritten signature in blue ink that reads "Linda George".

Linda George, Esq.
Administrator, RI Division of Public Utilities and Carriers

CC: The Honorable Representative Brandon Potter
The Honorable Members of the House Committee on Corporations
Nicole McCarty, Esq., Chief Legal Counsel, Speaker of the House

² R.I. Gen Laws §39-26.4-2 (22); <https://webserver.rilegislature.gov/Statutes/TITLE39/39-26.4/39-26.4-2.htm>.

³ In 2023, the credit rate was amended to be reduced by 20% within the 275 MW cap.

⁴ North Carolina Clean Energy Technology Center, *The 50 States of Solar: 2024 Policy Review and Q4 2024 Quarterly Report*, January 2025.