



April 23, 2025

VIA EMAIL (HouseCorporations@rilegislature.gov)

Representative Joseph J. Solomon, Jr.
Chair, House Corporations Committee
Rhode Island State House
Providence, RI 02903
rep-solomon@rilegislature.gov

Re: Support for H 5580; An Act Relating to Public Utilities and Carriers -- Net Metering

Dear Representative Solomon:

I write to you in your capacity as the Chair of the House Corporations Committee and with regards to H 5580, a bill pending before your Committee which would (1) eliminate the three year prior consumption limitation for small solar installations, (2) reduce the value of excess net metering credits from the last resort service (“LRS”) rate to the ISO-New England’s clearing price and (3) extend the value of the primary net-metering credit from 2050 to 2060. I write in my capacity as Senior Legal Counsel for Revity Energy LLC and its affiliates (“Revity”) and to express **Revity’s support for H 5580**. Revity is a Rhode Island-based utility-scale solar developer which has successfully developed twenty-six photovoltaic solar energy system (“PSES”) facilities in Rhode Island with total nameplate capacity of 128.6 megawatts, direct current (MW_{DC}) producing approximately 164,566,180 kilowatt hours of electricity per year (enough to service approximately 16,720 Rhode Island households annually). In any given year, Revity employs between 75 and 100 IBEW-99 union electricians to construct its facilities. In 2024, Revity paid over \$800,000 in taxes, permitting and other fees to the eleven (11) Rhode Island municipalities in which Revity operates.

R.I. Gen. Laws § 39-26.4-2(6) restricts the capacity of small-scale renewable energy facilities (i.e., residential rooftop facilities) to match the average consumption of the owner over the prior three years. This policy has restricted Rhode Island residents from building rooftop PSES systems to meet their future needs, including electric vehicle purchases and electrification of their household appliances. These residential owners already have a functional limit on the size of the PSES system—the size of their house’s roof. There should not be a legal limit on that system. For years, the General Assembly has debated the elimination of the three-year prior consumption limitation for residential PSES facilities and Revity urges passage this year.

Nick Nybo

Senior Legal Counsel

☎ (508) 269-6433

@ nick@revityenergy.com

📍 349 Centerville Rd | Warwick, RI 02886

🌐 revityenergy.com

H 5580 also contains a cut to the net-metering program in the form of reducing the value of the excess net-metering credit. As the Committee knows, the State's net-metering program provides compensation to renewable energy developers in the form of net-metering credits which can be used to offset a ratepayer's monthly Rhode Island Energy bill. The program permits developers to sell those credits to a limited group of ratepayers (hospitals, universities, municipalities, and commercial/industrial customers) at a discount thereby allowing the developer to monetize its electricity generation and allowing the ratepayer to save money on its electricity bill. The program is designed to incentivize developers to match credit allocation to the ratepayer's actual consumption. It does this by valuing the credits up to 100% of the ratepayer's actual consumption at the highest rate (last resort service charge plus distribution charge plus transmission charge plus transition charge), valuing credits over 100% but under 125% at a lower rate (only the last resort service charge) and valuing credits over 125% of consumption at zero.¹

Over the last few years, some have laid the State's high electricity costs at the feet of the State's renewable energy programs (and particularly, the virtual net-metering program). While the connection between high retail rates and renewable energy programs has been overstated,² the renewable energy compensation programs do impose some marginal financial burden on the ratepayer and so Revity understands why the General Assembly has, over the past few sessions, explored steps to reduce the compensation structures set forth in the State's net metering program. Two years ago, the General Assembly passed H 5853-A/S 0684-A (which legislation Revity supported). Among other revisions, H 5853-A/S 0684-A amended R.I. Gen. Laws § 39-26.4-2(22) to cut the value of the net-metering credit by 20%. H 5580 seeks to further reduce the cost of the net metering program by reducing the value of the excess net-metering credit from the last resort service rate to the ISO-New England's clearing price.

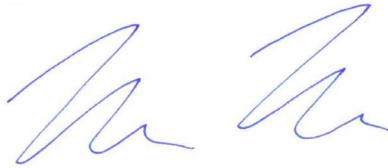
Lastly, H 5580 extends the full value of the primary excess net-metering credit from January 1, 2050 to January 1, 2060. Pursuant to R.I. Gen. Laws § 39-26.4-3(a)(1)(iv), any future renewable project must be "in operation or under construction by July 1, 2030" to be eligible for the State's virtual net-metering program. Under current law, the value of the primary net-metering credit loses significant value as of January 1, 2050 which will severely impact the value of 25/30 year net-metering offtaker contracts executed over the next five years. The law should extend the full value of the virtual net-metering credit to cover the entire contract period for all offtaker agreements. H 5580 accomplishes that goal by extending the period to January 1, 2060.

¹ On January 12, 2024, in Docket No. 23-05-EL, the Rhode Island Public Utilities Commission ("RIPUC") issued a decision interpreting the State's excess net-metering provisions. The RIPUC had identified an issue with the administration of the net-metering program for remote renewable energy generation facilities (i.e., facilities not located behind the same meter as the associated consumption). More specifically, because credits are issued on a monthly basis and the 100% allocation-to-consumption analysis is evaluated on an annual basis, it is impossible to properly value the credits when they are issued. The RIPUC ruled that, in order to properly value the excess credit, Rhode Island Energy should impose a year-end billing charge on the developer in cases where the allocation exceeds actual consumption.

² To date, the State's net-metering program has produced 412 MW of solar capacity (enough to service approximately 52,000 Rhode Island households) and the costs of this program represents 4% of a residential ratepayer's electricity bill.

Revity strongly supports passage of H 5580. If the Committee has any questions regarding the positions taken in this correspondence, please feel free to contact my office.

Regards.



Nicholas L. Nybo
Senior Legal Counsel
REVITY ENERGY LLC AND AFFILIATES

Copy:

Representative William W. O'Brien, First Vice Chair
(via email at rep-obrien@rilegislature.gov)
Representative Justine A. Caldwell, Second Vice Chair
(via email at rep-caldwell@rilegislature.gov)
All Members of the House Corporations Committee
Lou Mansolillo, Clerk, House Corporations Committee
Stephen Alves, Capitol Strategies Group
(via email at stephenalves12@yahoo.com)