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

Acadia Center Comments on H6418 Special Legislative Commission on Alternative Fuels

Dear Chairperson Solomon and Members of the House Corporations Committee:

Acadia Center appreciates the opportunity to provide testimony regarding House Resolution No. 6418, which would create a Special Legislative Commission on Alternative Fuels. Acadia Center is a non-profit research and advocacy organization committee to advancing the clean energy future. Acadia Center's work is characterized by reliable information, comprehensive advocacy, and collaborative, innovative problem-solving.

As described in H6418, Acadia Center shares a commitment to reducing greenhouse gas emissions, lowering fuel costs, increasing energy independence, and improving public health outcomes. While we are not necessarily opposed to a study for alternative fuels, we would hope that any study is a fully comprehensive evaluation that accurately assesses the costs and benefits of various fuels. This commission, as currently structured, is deeply concerning. The commission:

1) Does not include viable and cost-effective alternatives such as wind, hydropower, storage, solar, and transmission

2) Appears to be heavily made up of industry individuals with a vested financial incentive in their product, with little to no counterbalance

3) Includes fuels whose viability for certain uses has been credibly questioned elsewhere

Level Comparison of Alternatives

The cost-effectiveness of each of the fuels of interest – hydrogen, biofuels, propane, wood pellets, nuclear, geothermal, and photovoltaics (solar) – must be considered in comparison to other viable sources for heating and electricity generation. While solar appears to be captured with the mention of photovoltaics, this should also include offshore and onshore wind, hydropower, storage, as well as transmission to potentially transport additional sources of affordable, clean electricity to our region.

In addition to the central importance of the cost of energy to ratepayers, these fuels or sources of electricity each have varying impacts on public health, greenhouse gas emissions, economic development, and energy independence. For example, burning fuels such as wood, propane or heating oil in our homes have specific on-site health concerns[1] versus the electricity generated off-site.

[1] American Lung Association. "The Health Harms of Fuel-Burning Home Appliances." https://www.lung.org/getmedia/7c5254b2-2eb6-4278-a5dd-63ec845975bc/Factsheet-on-Residential-Combustion.pdf

Further, the electrification of our buildings, transportation, and electric grid and the related shift away from fossil or delivered fuels is an overriding theme present across the state's climate planning, the Future of Gas proceeding (RI FOG), and the viable decarbonization pathways of neighboring states. The technical analysis conducted for RI FOG demonstrated that modeling which relies on alternative fuels over electrification is far more likely to result in Rhode Island falling short of its emission reduction targets.

Lack of Balanced Commission Representation

The make-up of the special legislative commission includes significant industry representation – two biofuel companies, the heating oil trade association, a nuclear company, the biomass or wood heating sector, the manufacturers association, as well as the business leader's alliance. The representatives of these organizations have a vested financial interest in the sale of their products and profit of their respective companies or members.

It is critical that the proposed commission on alternative fuels represent a wide range of energy types and priorities that serve the best interest of Rhode Island ratepayers. Acadia Center proposes the inclusion of:

- Greenhouse gas emissions accounting and methodology expertise
- Public health representative
- Environmental representative
- Interest of low-income ratepayers
- Interest of environmental justice communities
- Solar/photovoltaic industry
- Geothermal industry
- Wind industry
- Hydropower industry
- Storage industry
- Attorney General's office

Without a balanced approach, the outcome of this commission is unlikely to be in the best interest of Rhode Island ratepayers.

Viability and cost-effectiveness of proposed alternatives

Over the past two and a half years, Acadia Center has been actively involved in Rhode Island's Future of Gas (FOG) proceeding, including active participation in a Stakeholder Committee and Technical Working Group. A recurring theme by Acadia Center and other members of the stakeholder committee[2] has been pushing back on the assertion by

[2] Prevost, Lisa, Canary Media. "As Rhode Island considers future of gas, advocates call for 'realism' on cost, availability of RNG."13 November 2024. https://www.canarymedia.com/articles/enn/as-rhode-island-considers-future-of-gas-advocates-call-for-realism-on-cost-availability-of-rng

the gas company that renewable natural gas (RNG), hydrogen, or other alternative fuels represent a feasible or financially viable replacement for fossil fuel gas. The Technical Analysis conducted by consulting firm E3 on behalf of the Public Utilities Commission (PUC) highlights the high level of (multiple) risks associated with scenarios that are highly reliant on alternative fuels for decarbonizing the gas system.

I encourage members of the committee to review the comments by Acadia Center and other members of the FOG stakeholder committee on the topic of alternative fuels, including group comments. In Massachusetts, the viability of both RNG and hydrogen (to be blended into the gas distribution system) were studied and rejected due not only to their uncertain GHG reduction qualities, but also due to unrealistic availability and costs.

- Chief concerns with RNG include true GHG reduction benefits under an accurate lifecycle GHG accounting framework, the lack of available supply of sustainable biomass feedstocks that provide true GHG reduction potential, a high degree of future cost uncertainty as competition for biomass feedstocks increases, and the need to prioritize limited biomass feedstocks for the production of fuels in the sectors of the economy that are most challenging to decarbonize (e.g., aviation, sipping, high-heat industrial processes, long-distance trucking).
- Chief concerns with hydrogen include a lack of current and future hydrogen production capable of meeting the "three pillars" of green hydrogen production (new clean supply, hourly matching, and deliverability), the relative inefficiencies of hydrogen production via electrolysis compared to direct electrification of building heating via heat pumps, safety concerns related to the blending of hydrogen into the gas distribution system, and the need to prioritize the future, limited supply of true green hydrogen for sectors of the economy that are most challenging to decarbonize (e.g., aviation, sipping, high-heat industrial processes, long-distance trucking).

While not a topic of the recent Future of Gas proceeding, Acadia Center would also highlight the significant delay and cost overruns of the sole recent new nuclear reactors constructed in the U.S. (Vogtle Unit 3 and Unit 4 in Georgia), with the operating date of the sites delayed by seven years. Originally expected to cost $14 billion, Georgia Power now estimates the total cost of the project to be more than $30 billion.[3]

Thank you for your consideration, and I would look forward to future dialogue.

Sincerely,

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[3] EIA. "Plant Vogtle Unit 4 begins commercial operation." Today in Energy. 1 May 2024. https://www.eia.gov/todayinenergy/detail.php?id=61963