

Good evening. I am Kevin O'Neill from Cumberland. I have been a member of the Rhode Island chapter of Citizens' Climate Lobby for more than a decade, and I am here tonight with a simple message:

The best way to fight climate change is to lower people's annual energy costs, because clean energy is cheap energy.

The cheapest and cleanest energy is the energy you stop wasting. That is why I oppose H7174 and H7177 which would weaken energy efficiency programs. These programs are required by law to save more money than they cost, and they have done exactly that. They help families and businesses reduce annual energy spending; they support local HVAC contractors and related businesses; and they are essential if lower-income Rhode Islanders are to benefit from efficiency investments.

The next cheapest and cleanest form of energy, in most places, is renewable energy. That is why I oppose H7176. Renewable energy does cost more here than it should; but the answer is not to fall back on fossil fuels that expose us to high price volatility. The answer is to remove the red tape and other obstacles that make renewable energy more expensive here than in other places. That is why I support bills like H7269, H7726, and H7727.

This session, lawmakers have introduced at least 51 bills on energy affordability, many aimed at lowering electricity prices. I remind you that fossil fuels account for more than 70 percent of our energy spending. Replacing inefficient combustion equipment with efficient electric equipment is the best way to reduce total energy spending.

With so many bills on the table, it is easy to lose sight of the big picture. In my written testimony, I suggest combining the best ideas into two broad legislative acts, both focused on affordability and decarbonization.

Thank you.

1. **An Act Reducing the Price of Electricity and Gas** would include the features of bills already proposed to reduce the price of electricity supply from renewable sources, specifically:

- S2661/H7727 – establishing an offshore wind procurement policy commission with the goal of cost-effectively procuring 1,200 MW of offshore wind capacity
- S2801/H7726 – reducing the red tape that currently inflates the cost of solar projects
- S2658 + S2359 /H7269 – enabling residents to install small, inexpensive, plug-in solar panels
- H7178 – creating an advisory board for deploying solar on highway right-of-way
- S2762 – freeing homeowners from paying for solar panels accidentally destroyed by fire, etc.

It would also include the features of these bills aimed at reducing the price of electricity distribution, regardless of supply source, specifically:

- S2202/2777 – reducing the electric utility’s ROE, bringing it closer to the cost of capital
- S2779 -- prohibiting inclusion of certain overheads in the rate base and limits ISR spending
- S2535 – requiring the PUC to consider a seasonal heat pump rate
- S2244/H7506 + S2449 /H7808 – exempting certain kinds of batteries from sales tax
- S2800 – expediting battery storage on abandoned or contaminated property
- H7878 – Requiring RIE to procure 100 MW of storage in RI. *We recommend amending the proposal to allow RIE to own or finance batteries and energy efficiency projects.*
- H7338 – preventing HOAs etc. from prohibiting EV charger installation at owner's expense. *We recommend that this and other legislation promoting the electrification of transport and heating be amended to require any electrified application benefiting from state or ratepayer incentives be enrolled in the utility’s demand management program.*
- Article 11, Section 7 of H7127 – effectively increasing the range of zero-emission resources qualifying under the state’s Renewable Energy Standard. *We strongly recommend that the legislature NOT adopt other changes recommended by H7127 that would extend the RES deadline or reduce total energy efficiency program spending.)*

Finally, to avoid increasing the price of natural gas delivery for all ratepayers it would include:

- S2354/H7891 – terminating the gas line extension allowance.

2. An Act To Cut Total Annual Energy Bills by Enabling All Rhode Islanders To Reduce Energy Waste

would require that new buildings be designed for lower, more predictable energy costs, as in:

- S2229/H8167 – promoting energy-capable schools
- S2529/H7081 – prohibiting fossil heat in new gov't buildings after 2028
- S2248/H7880 – establishing income-sensitive tiered subsidies on electric and gas
- S2765/H7739 – creating the Green Building Act Commission
- H7774 – adopting the 2024 Int'l residential code and limit amendments
- H7877 – expanding the 2021 appliance efficiency standards
- H7738 – establishing a 5 year moratorium on changes to the state energy conservation code
- *If not this year then next, we recommend the state incentivize municipalities to develop zoning rules that encourage mixed-use, transit-oriented construction and renovation so, in the future, an increasing number of Rhode Islanders can avoid the expense of automobile ownership.*

It would promote collection of data on the energy costs and draftiness of existing building, would require the disclosure of that data to buyers and renters, and would otherwise encourage developers and building owners to compete on building operating costs as proposed in:

- S2260/H7183 – Benchmarking of large buildings
- S2218/H7184 – BPS for large buildings
- S2122/H7067 – Blower door test disclosure

It would give renters the ability to reduce their annual energy costs as proposed in:

- H7655 – permitting DIY energy conservation measures by tenants

It would advance the adoption of hyper-efficient thermal energy networks and encourage Rhode Island Energy to convert gas network customers into thermal network customers, as proposed in:

- S3080/H7879 – requiring thermal energy network feasibility studies and cost-effective pilots
- S2905/H8132 – providing financial support for large multifamily geothermal feasibility studies

It would reduce financing costs and align incentives for climate change mitigation and adaptation as proposed in:

- H8144 – enabling a referendum on \$60M in Green Bond financing
- S2547/H8179 – increasing the OSPRF fee to fund continued work by the EC4
- *And in the spirit of S2222 and S2654/H7912, and in response to proposals by Governor McKee and Rhode Island Energy that the electric efficiency fee be reduced and partially rebated, we recommend shifting a portion of the efficiency program burden from electricity sales to fossil fuel sales. In brief, we should reduce the electricity efficiency fee and should use RGGI funds for rate relief, compensating for those reductions by increasing the natural gas efficiency fee and by imposing a new efficiency program fee on sales of liquid fossil fuels*