

HB-7879
PUC



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STATE OF RHODE ISLAND

Public Utilities Commission

Chairman Ronald T. Gerwatowski
Commissioner Abigail Anthony
Commissioner Karen Bradbury

March 12, 2026

The Honorable Joseph J. Solomon, Jr.
Chair, House Corporations Committee
State House
Providence, RI 02903

Re: House Bill 7879 – Thermal Energy Network and Job Act

Dear Chair Solomon:

I am providing comments on behalf of the Public Utilities Commission (PUC) on House Bill 7879, the Thermal Energy Network and Job Act which establishes a framework for the study, development, and deployment of thermal energy networks in Rhode Island. Under the bill, utilities are authorized to own, construct, and operate these networks and to recover costs from customers, allowing them to make a return on their investments while implementing pilot projects and network expansions. The PUC has engaged with stakeholders on this legislation over the past few years and notes there has been a lot of work done to provide additional clarity. However, the PUC provides the following observations and recommendations.

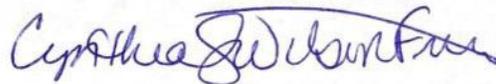
The Commission notes a significant timing issue in the bill with respect to feasibility studies, taskforce reports, pilot project approvals, and the adoption of PUC regulations. As drafted, Section 39-36-6 requires the PUC to adopt regulations within eighteen months of the effective date, including consideration of the taskforce report, yet the taskforce report is not due until eighteen months after completion of the feasibility studies which is an unspecified date. To allow sufficient time to incorporate the taskforce recommendations and any supporting cost-benefit analysis, the Commission believes the regulation deadline should be set at twelve months following receipt of the taskforce report. Pilots under Section 39-36-5 can only be proposed after feasibility studies are completed, but the bill requires pilots to comply with the regulations, which may not yet exist at the time of submission. These overlapping deadlines create uncertainty regarding how the PUC can adopt regulations that appropriately incorporate taskforce recommendations and apply them to pilot proposals. The Commission suggests the bill needs to clarify the sequencing and deadlines for feasibility studies, taskforce reporting, regulations, and pilot approvals to ensure consistency and practical implementation.

The bill appears to allow entities other than Rhode Island Energy to acquire, own, or operate thermal energy networks, with project-specific “approval” required. However, the approving authority is not identified, and the bill also appears to intentionally avoid conferring “public utility” status on these third parties. It is unclear why an unregulated entity would need such approval, particularly when it is not entitled to full cost recovery and is not subject to the utility-specific requirements of the bill such as cost-effectiveness, greenhouse gas emissions reductions, and promoting training of workers. Of note is that non-regulated third parties and their customers would not be subject to Title 39 consumer protections, and it is unclear to the PUC whether general consumer protections laws and regulations would apply to this new endeavor.

In addition to these substantive comments, there are other technical issues such as defined terms not being used elsewhere in the bill, and whether the PUC is the appropriate agency to promulgate regulations on utility worker training, something that seems more appropriate for the Department of Labor and Training. In addition, the PUC notes that there is only limited ability to control rate recovery of a pilot once it is approved. Based on the cost the PUC has seen from the Eversource Framingham, MA project, the cost recovery sought to serve 135-140 participants has so far grown to \$24.5 million, approaching nearly double the original \$14 million estimate. The PUC suggests there be meaningful ratepayer cost recovery controls added to this legislation.¹

The PUC looks forward to continued conversations with the stakeholders as this bill moves forward. Please feel free to contact me with any questions at 401-780-2147 or cynthia.wilsonfrias@puc.ri.gov.

Sincerely,



Cynthia G. Wilson-Frias
Chief of Legal Services

Copy: Representative Cortvriend

¹ MA D.P.U. 25-104; MA D.P.U. 24-114; MA D.P.U. 23-86; and MA. D.P.U. 22-125; MA D.P.U. 21-53-A; MA D.P.U 19-120 (\$10.3M); <https://www.eversource.com/business/save-money-energy/clean-energy-options/geothermal-pilot-program-in-massachusetts>. In MA, it does not appear that the utility is allowed to include the investments in their rate base, instead filing for annual cost recovery of its spending in that year.