



Advancing the Clean Energy Future

22 Parsonage Street • Box 155
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April 7, 2026

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

Support of House Bill 7270 re: Data Centers

Dear Chair Solomon and Members of the House Corporations Committee:

We write on behalf of our organization, **Acadia Center**, in support of **House Bill No. 7270**, and with broad **recommendations regarding Rhode Island's approach to responsibly integrating data centers into the grid, with an eye towards ratepayer protection**. House Bill No. 7270 would require the Public Utilities Commission (PUC) to provide for a classification of service for retail electricity consumers that are large energy use facilities. Although data centers have yet to impact the Northeast as much as other parts of the U.S. — largely due to high energy costs and limited land¹ — the industry is starting to show interest in developing here. It is critical for the General Assembly and the PUC to be prepared to **proactively protect ratepayers from new and unjustified costs amid the existing affordability crisis**.

Acadia Center is a non-profit research and advocacy organization with over 25 years of experience dedicated to advancing transformative clean energy solutions that promote a livable climate and a more equitable economy at the state, regional and community levels, primarily in the northeastern U.S. and eastern Canada. Through rigorous data analysis and strategic partnerships, Acadia Center advocates for policies that significantly reduce carbon emissions and address systemic energy challenges like affordability. By collaborating with stakeholders, government, business, and communities, Acadia Center pursues ambitious but pragmatic strategies that help to ensure an inclusive and sustainable energy future for all.

As is evident in the public discourse, data centers pose huge growth and affordability concerns at a time when supply costs are rising sharply and new renewable energy is already being constrained. **New England is projected to double its demand by the year 2050** and to move from a summer to a winter peaking system²; this future projection alone, compiled with the added costs and growth considerations that data centers bring, is a serious concern. As of April 2026, data center planned and operational capacity has surpassed 290 GW nationwide³; and in neighboring regions like PJM, we see that data centers have been found to be the primary reason for driving surging capacity market prices, with an estimated \$4.4 billion owed by ratepayers to subsidize data center costs⁴.

¹ EFI Foundation. Decarbonizing Heat in the Northeast Workshop, May 2023. [NECF-FINAL-Layout-1.pdf](#)

² Acadia Center and Clean Air Task Force. *The Energy is About to Shift*. November 25, 2024.

<https://acadiacenter.org/resource/the-energy-is-about-to-shift/>

³ [US Data Center Map - Project List & Tracker](#)

⁴ [Data centers 'primary reason' for high PJM capacity prices: market monitor | Utility Dive](#)

Rhode Islanders are already grappling with high energy costs; proactively establishing **guardrails to curb data center impacts on residential ratepayers** should be a top priority.

Acadia Center sees key strengths in House Bill No. 7270 that are worth highlighting. **H7270 focuses on preventing cost shifting from data centers onto ratepayers.** It requires that data centers pay for the full cost they incur to the system: not just their needed distribution upgrades, but their transmission upgrades, as well as energy, capacity or ancillary electricity services, and any related costs or associated risks. The **20 MW threshold** is aligned with best practices we have seen in other state bills addressing data centers. Rhode Island is a small state that, according to the EIA, consumes the lowest amount of energy on a per capita basis,⁵ so it may be worth considering an even lower threshold given the massive effects multiple data centers of that size would have in our state. Acadia Center also applauds the provisions of H7270 that require **minimum 10-year contracts** for data centers, acknowledging that such facilities and associated load requirements cannot easily be replaced 1-for-1, and which obligate a minimum payment for services.

Acadia Center recommends these protections go even further by 1) incorporating early exit/termination fees that would penalize data centers for leaving a contract early (important considering the potential for costly stranded assets), and 2) establishing, rather than considering, a mandate that a data center bring its own generation, and that the generation it brings should be majority renewables. This could be fulfilled by building their own resources, by signing a PPA with a new (additive) project(s), by procuring DERs and demand-side resources from local communities, through efficiency measures, or any combination thereof. Acadia Center also recommends, 3) mandatory demand flexibility be included as a requirement for any large load tariff, such that a utility can **curtail large load demand in periods of peak demand** and exigent grid circumstances. To the greatest extent possible, this flexibility should be clean in nature, e.g., not relying on backup diesel generators.

Acadia Center cautions against the incentivization of data centers, as seen in House Bill No. 7695, particularly without sufficient guardrails in place. Incentivization of data centers has contributed to a massive influx of data centers waiting in interconnection queues nation-wide, and the lack of associated consumer protections has led to [billions of dollars in costs](#) being paid by other ratepayers. Acadia Center is **particularly concerned with the incentivization of data center investment in distressed communities**, as included in H7695. Data center facilities can use locally harmful and polluting sources of power (i.e. diesel, natural gas) as primary and/or backup power with little oversight, which has the potential to exacerbate generations of environmental injustices. Data center companies should be required to engage in good faith with host communities, tying robust and enforceable community benefits agreements and local employment opportunities to receipt of any state incentives.

⁵ U.S. Energy Information Administration - EIA - Independent Statistics and Analysis. *U.S. States: State Profiles and Energy Estimates. Table C14. Total energy consumption estimates per capita by end-use sector, ranked by state, 2023.*

In sum, Acadia Center supports House Bill No. 7270 as a **proactive affordability measure to responsibly integrate data centers into the grid**. This testimony also offers recommendations to strengthen the policy and raises concerns with data center incentives.

Thank you for your consideration. Please do not hesitate to contact us with any questions.

Sincerely,

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