



April 6, 2026

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 7331; An Act Relating to Public Utilities and Carriers -- Public Utilities Commission

Testimony regarding H 7270; An Act Relating to Public Utilities and Carriers -- Public Utilities Commission

Dear Representative Solomon:

I write to you in your capacity as the Chair of the House Corporations Committee and with regards to H 7331 and H 7270, two bills pending before your Committee regarding data center regulation. 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 7331** as well as its concerns about H 7270. Revity is a Rhode Island-based utility-scale solar developer which has developed twenty-seven (27) photovoltaic solar energy system facilities in Rhode Island with total nameplate capacity of 147 megawatts, direct current (MWDC) and currently has four (4) projects under construction totaling 48 MWDC. In 2025, Revity paid over \$700,000 in taxes, permitting and other fees to the 10 Rhode Island municipalities in which Revity operates. Last year, Revity’s net-metering projects saved five municipalities, five universities, five hospitals and seven local businesses \$6.7 million on their electricity bills.

Data centers are facilities that house computer systems and associated components such as telecommunications and storage systems to process and manage significant amounts of data generated by an increasingly connected digital world. Data centers allow organizations to collect, store, and process data which is a vital function for the healthcare, financial and education industries as well as emergency response systems. According to the US Census Bureau, between

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2016 to 2023, domestic data center employment increased more than 60% nationally.¹ Over that period, thirty-nine (39) states increased data center employment. Nine (9) states increased data center employment by over 100% and two (2) states increased data center employment by over 200%. During that same period, Rhode Island’s data center employment decreased by 75.5% (which ranked last in the nation).² Data center transactions in 2024 totaled approximately \$57 billion, with an additional \$29 billion pending—more than double the \$26 billion in 2023.³ The domestic data center market is estimated to grow at an annual rate of 17%, increasing from 33 gigawatts in 2023 to 100 GW by 2030. Each megawatt (MW) of data center capacity requires an average investment of \$11 million with large data centers currently being built across the country sizing 50 to 100 MW.⁴ Data centers present investment opportunities of \$550 million to \$1 billion.⁵ The total sales volume in 2024 reached \$420.4 billion, a 9% increase from 2023—a trend expected to continue as capital shifts from other asset classes into data centers.⁶ According to the US Chamber of Commerce Technology Engagement Center, during construction, a large scale data center can employ up to 1,688 workers, providing \$77.7 million in wages and producing \$243.5 million in output along the locality’s supply chain.⁷ Every year thereafter, that same large scale data center can support up to 157 jobs paying \$7.8 million in wages and injecting \$32.5 million into the local economy.⁸ “Both data center operations and construction workers earn average or above average wages” and “[o]n average, data center employees and contractors earn about \$100,000 per year, varying based on job role and area of the state.”⁹

In December of 2024, the Joint Legislative Audit and Review Commission for the Commonwealth of Virginia (“JLARC”) issued a report studying its data center industry.¹⁰ At the time of the JLARC Report, Northern Virginia was the largest data center market in the world, constituting 13% of the global operational capacity and 25% of operational capacity in the Americas.¹¹ “Overall, the data center industry is estimated to contribute 74,000 jobs, \$5.5 billion in labor income, and \$9.1 billion to GDP to Virginia’s economy annually.”¹² The JLARC Report provides the following labor breakdown:

¹ [https://www.census.gov/library/stories/2025/01/data-centers.html#:~:text=Employment%20in%20U.S.%20data%20centers,Quarterly%20Workforce%20Indicators%20\(QWI\)](https://www.census.gov/library/stories/2025/01/data-centers.html#:~:text=Employment%20in%20U.S.%20data%20centers,Quarterly%20Workforce%20Indicators%20(QWI))

² *Id.*

³ *Colliers*, 2025 DATA CENTER MARKETPLACE: BALANCING UNPRECEDENTED OPPORTUNITY WITH STRATEGIC RISK at p. 6.

⁴ *Colliers* at p. 6.

⁵ *Colliers* at p. 8.

⁶ *Colliers* at p. 10.

⁷ chrome-extension://efaidnbmninnibpcajpgclclefindmkaj/https://www.uschamber.com/assets/documents/ctec_datacenter_rpt_lowres.pdf

⁸ *Id.*

⁹ Virginia JLARC Report at p. 15.

¹⁰ *Id.*

¹¹ *Id.* at p. i.

¹² *Id.*

| Annual average based on data center capital investment and related operation spending | | | |
|---------------------------------------------------------------------------------------|--------------------------------|-------------------------------|--------------------------------|
| Economic impact | Construction phase | Operations phase | Total impact |
| Jobs | 59,000 jobs (35,000 direct) | 15,000 jobs (4,400 direct) | 74,000 jobs (39,400 direct) |
| Labor income | \$4.3 B (\$2.6 B direct) | \$1.2 B (\$0.4 B direct) | \$5.5 B (\$3.1 B direct) |
| Virginia GDP | \$6.4 B (\$3.3 B direct) | \$2.7 B (\$1.1 B direct) | \$9.1 B (\$4.4 B direct) |

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The Report stated that Loudoun and Prince William counties have the largest and most mature data center markets in the state and data center municipal tax revenues in those counties accounted for 31% and 7%, respectively, of total local tax revenue.¹⁴ Elsewhere in Virginia, the “primary reason Mecklenburg was successful in attracting Microsoft was because the county had already identified a site suitable for data center development when Microsoft was looking for potential Virginia locations.”¹⁵

One key reason that most states have vastly outpaced Rhode Island in the data industry is that 39 states, including Massachusetts and Connecticut, have enacted sales tax exemptions for data center equipment. Of the 11 remaining states, 3 have no sales tax at all¹⁶ and 2 others are currently debating sales tax exemption legislation for data centers. Revity respectfully submits that Rhode Island needs to match what a supermajority of other states have done if Rhode Island is going to compete in the data industry.¹⁷ H 7695, which will be heard at a later date in the House Finance Committee, would provide that sales tax exemption—albeit an exemption far more conservative than most of the 42 other states.

However, Revity is well-aware of the concerns that have been raised nationally regarding data center development. To that end, H 7331 provides that the “public utilities commission shall require that any costs reasonably attributable to the planning, construction, expansion, operation, or maintenance of electric generation, transmission, or distribution facilities necessary to serve a data center shall be borne exclusively by that data center.”¹⁸ H 7331 also requires data centers to report to the Rhode Island Department of Environmental Management its average daily water withdrawal, peak daily water withdrawal, cooling technologies and water recycling or reuse practices.¹⁹ The legislation further authorizes the director of the DEM to “require a data center to submit a water efficiency, conservation, or recycling plan as a condition of any permit issued under this title” and “financial assurance, in a form acceptable to the department, to ensure site restoration in the event of abandonment or cessation of operations.”²⁰ Notably, “[m]ost data centers use about the same amount of water or less as an average large office building, although a few require

¹³ *Id.* at p. 15.

¹⁴ *Id.* at p. 16.

¹⁵ *Id.* at p. 19.

¹⁶ New Hampshire, Oregon and Alaska.

¹⁷ Colorado (HB 1030) and South Dakota (HB 1005).

¹⁸ S 2776 at § 39-1-64(d).

¹⁹ *Id.* at § 46-15.9-2(a)(1)-(4).

²⁰ *Id.* at §§ 46-15.9-3 & 46-15.9-4.

substantially more, and some require less than a typical household” depending on the data center size, computing density and type of cooling system.²¹ Nevertheless, Reivity supports H 7331 as a logical measure to authorize state agencies to protect Rhode Islanders from the resource over-consumption concerns arising from data center development in other states.

With respect to H 7270 directing the Public Utilities Commission to create a specialty rate classification for data centers, Reivity certainly appreciates the legislative desire to ensure that data centers do not impose an undue burden on Rhode Island ratepayers. Importantly, H 7331 already directs the PUC to establish a special rate classification for data centers. It is difficult to predict how a use-specific rate class would operate within the general rate structure because ratemaking in Rhode Island is based on broader classifications (*i.e.*, A-16 for basic residential, A-60 for low income residential, C-06 for small commercial, G-02 for general commercial and G-32 for large demand). While that fact should not preclude the General Assembly from directing the PUC to establish a specialty rate class, that ratemaking process needs to be carefully designed to avoid unintended consequences and Reivity has certain concerns about the language in H 7270.

First, the definition of a “large energy use facility” states that an eligible facility must use at least 20 MW before it is subject to the specialty classification; however, H 7270 does not specify the time period in which the data center needs to consume that amount of electricity (monthly, annually or over the life of the facility) to qualify for the specialty class.²² Second, in terms of the factors that the PUC is to consider in setting a specialty classification, data centers provide certain benefits to grid stability which should be considered alongside the burdens of data centers.²³ For example, data centers present a very consistent load profile which is valuable to grid planning. Third, H 7270 requires the PUC to consider whether data centers “[i]mpede the electric company’s ability to meet the clean energy targets set forth in chapter 6.2 of title 42 (‘2021 act on climate’) or reduce the emissions of greenhouse gases consistent with state policy.”²⁴ Any new load customer technically “impedes” the State’s Act on Climate goals because new load increases the denominator for the Renewable Energy Standard and thereby reduces the percentage of consumed electricity generated by renewable energy resources. Fourth, H 7270 requires that Rhode Island Energy and the data center enter into a contract for service but states that if Rhode Island Energy “fails to begin to provide electricity service on or by the date or estimated date specified in a contract entered into under this section due to causes within the electric company’s reasonable control, the electric company shall provide the retail electric consumer notice of delay as soon as reasonably practicable.”²⁵ If Rhode Island Energy fails to comply with its contractual obligations to provide electric service, Reivity would respectfully suggest that any and all remedies available under contract or the retail tariff be preserved for the data center customer. Stated differently, the rights and remedies available to a data center if and when the utility company fails to provide electric service should be no different than the rights and remedies available to any other load customer. Reivity fully appreciates the General Assembly’s goal of ensuring that data center development in Rhode Island does not foist any undue burden on the ratepayer and H 7331

²¹ Virginia JLARC Report at p. vii.

²² S 2427 at § 39-1-2(a)(16).

²³ *Id.* at § 39-1-27.10.1.

²⁴ *Id.* at § 39-1-27.10.1(b)(5)(iii).

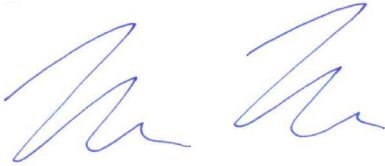
²⁵ *Id.* at § 39-1-27.10.1(e)(3).

provides the PUC with a panoply of options to achieve that goal but allows the PUC to decide how to best exercise its ratemaking authority.

Revity supports the passage of H 7331.

If the Committee has any questions regarding the positions taken in this correspondence, please feel free to contact my office.

Regards.



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Senior Legal Counsel
REVITY ENERGY LLC AND AFFILIATES

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