

Testimony in Support of HB-7880 An Act Relating to Public Utilities and Carriers – Duties of Utilities and Carriers

House Commerce Committee

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The Economic Progress Institute strongly supports Rep. Slater’s HB-7880 which would create an income-sensitive tiered subsidy program to ensure that home energy utility costs are affordable for eligible low-income households.

In 1978, the Supreme Court wrote that “utility service is a necessity of modern life; indeed, the discontinuance of water or heating for even short periods of time may threaten health and safety” (Memphis Light, Gas & Water Div. V. Craft, 1978). However, data shows that many Rhode Island households do not earn enough to meet their basic needs, including the cost of energy. This burden disproportionately affects Black and Latino families as 78 percent of Black single adults and 83 percent of single Latino adults without children don’t earn enough to meet their basic needs without assistance; compared to 65 percent of White single adults (RISN, 2025).

Energy Costs in Rhode Island (2025)

Monthly Electricity Bill: The average monthly electricity bill for residents was around **\$243**, totaling about **\$2,916** for 2025 (Rhode Island Public Utilities Commission, 2025).

Average Electricity Rate: In 2025, the average residential electricity rate in Rhode Island was approximately **29 cents** per kilowatt-hour (kWh). The US average price as of November 2024 was **17 cents** per kilowatt-hour (US Energy Information Administration, 2025). Rhode Island’s rates were nearly double the national average and continue to increase over **9%** each year statewide, making it more critical than ever to discuss solutions (Rhode Island Public Utilities Commission, 2025).

Vulnerable populations, such as the elderly, low-income families, and those with chronic illnesses, often need low-priced energy for several critical reasons:

1. **Financial Stability:** High energy costs can consume a significant portion of a household's budget, leaving less money for other essentials like food, medication, and healthcare. Affordable energy helps alleviate this financial burden, allowing families to allocate resources to other critical needs.
2. **Health and Well-being:** Access to affordable energy contributes to overall health and well-being by enabling proper lighting, refrigeration for medications, and the ability to cook nutritious meals. These factors are essential for maintaining a healthy lifestyle.
3. **Medical Equipment:** Many individuals rely on medical equipment that requires electricity, such as oxygen concentrators, CPAP machines, ventilators, and dialysis

machines. Exploring affordable energy solutions can help ensure these devices can operate continuously without causing financial strain on individuals that need them (Mango & Adamsson, 2025).

4. **Temperature Regulation:** Maintaining a stable indoor temperature has been linked to better health outcomes for vulnerable populations (Telfar Barnard, Howden-Chapman, Clarke, & Ludolph, 2018). Extreme heat or cold can exacerbate health conditions, leading to heat stroke or hypothermia. Low-cost energy allows for the use of heating and cooling systems to keep homes safe and comfortable.

Broader Impacts:

1. **Inflationary Pressures:** Rising energy costs contribute to inflation by increasing the cost of production and transportation for goods and services (The Tennessean, 2025). This can lead to higher prices for a wide range of products, affecting the overall cost of living.
2. **Impact on Local Businesses:** Businesses also feel the pinch of high energy costs. Increased operational expenses can lead to higher prices for consumers, reduced profit margins, and in some cases, layoffs or reduced investment in growth and innovation (Brown & Sovacool, 2020).

Nebraska currently has a 100% publicly owned utility - creating lower energy costs for residents by eliminating the profit motive and focusing on community needs (Nebraska City Utilities, 2025). Further research from experts and stakeholders can advise on whether this path would be cost effective for Rhode Islanders. In the meantime, creating an income-sensitive tiered subsidy program can help offset high energy costs to low-income individuals as they have done in California and New York (Rubin, Freed, & Aggarwal, 2023).

We urge the passage of this bill to reduce energy costs by implementing the Payment Percentage Income Plan to ensure utilities are affordable for *all* Rhode Islanders.

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