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Testimony of

Christopher Carlozzi, State Director, National Federation of Independent Business
In Opposition to House Bill No. 5424
Relating to State Affairs and Government – Rhode Island Climate Superfund Act of 2025
Before the House Committee on Environment and Natural Resources
February 27, 2025

Chairman Bennett and Members of the House Committee on Environment and Natural Resources:

My name is Christopher Carlozzi. I am the Rhode Island State Director of the National Federation of Independent Business (NFIB). A non-profit, non-partisan organization, NFIB is the nation's and Rhode Island's largest small business advocacy group. In Rhode Island, NFIB represents hundreds of small and independent business owners involved in all types of industry, including manufacturing, retail, wholesale, service, and agriculture. The average NFIB member has five employees and annual gross revenues of about \$450,000. In short, NFIB represents the small Main Street business owners from across the state. On behalf of those small and independent business employers in Rhode Island, I urge you to oppose House Bill No. 5424, regarding an assessment on energy companies that will be passed along to consumers.

Will this legislation make Rhode Island more affordable to live or run a business?

House Bill No. 5424 could raise energy prices for Rhode Island residents and businesses. Earlier this year, the state of New York enacted similar legislation into law (and immediately faced a costly legal challenge). Despite the penalties being retroactive and dating back to a covered period between January 1, 1990 and December 31, 2024, there is a likelihood the cost will be passed along to consumers in future years according to a letter from a long list of stakeholders sent to New York Governor Hochul. Other concerns stem from fuel companies passing anticipated future penalties on to consumers as well, raising the price of energy.

Energy is crucial to the operation of a small business in Rhode Island. With our brutally cold winters and excessively warm summers, the price of energy is something small business owners carefully monitor as it significantly impacts their business' bottom line. A substantial portion of small business energy use is cooling or heating the business. Both customers patronizing a business and workers performing daily duties within the building must be comfortable and safe. Heating and cooling become especially costly in larger facilities like warehouses and factories. Finally, many small manufacturers require heavy energy use operating their equipment to create products. Rhode Island is home to precision manufacturing businesses that rely on affordable energy to remain competitive.

On behalf of Rhode Island small businesses already struggling with some of the highest energy prices in the nation, we urge the committee to reject House Bill No. 5424. Thank you.