

Via Electronic Mail

May 13, 2025

Representative Marvin L. Abney
Chair of House Finance Committee
82 Smith Street
Providence, RI 02903

RE: Alliance for Climate Transition Support for Bill H5535, Relating To Taxation – Sales And Use Taxes – Liability And Computation

Dear Chair Abney,

The Alliance for Climate Transition ("ACT") appreciates the opportunity to submit comments in support of Bill H5535 relating to taxation of behind-the-meter batteries interconnected with a solar photovoltaic ("PV") system.

ACT leads the just, equitable, and rapid transition to a clean energy future and a diverse climate economy. Our 300+ members include companies from all of the clean energy market segments, many of whom are based in Rhode Island, do business here, or hope to make future investments in the state.

Bill H.5535 is a logical move in encouraging customers to invest in energy storage systems in their homes. Renewable energy products are generally exempt from sales tax to incentivize their purchase – including PV systems and most of the parts related to their functioning. Explicitly adding behind-the-meter energy storage to this list will allow consumers to maximize the value they get out of the investment they make into a solar system by being able to use the energy they produce on demand.

The current list of tax-exempt renewable energy products includes most, but not all components that can go into a PV system, causing confusion for potential buyers. This bill's addition of battery storage would not make a major dent in tax income for the state. It would, however, make a major difference for people who wish to install a solar and storage system in their home but are confused as to which parts of that system are and are not tax exempt. The current lack of clarity can cause potential buyers to hold off on the investment, when they cannot tell what the final price tag will be on the system they are installing.

The development of energy storage systems is also a crucial step in strengthening our electrical grid and lowering costs for consumers. By participating in programs like ConnectedSolutions, at home batteries can provide energy to the grid just like large battery systems, alleviating the

strain on the grid during peak hours and preventing the need to fire up peaker plants, which are both expensive to run and incredibly polluting. Having more behind-the-meter solar and storage systems installed in the state will build resiliency and support access to more affordable electricity, not just for the individual household or business that invests in this system, but also for everyone connected to the Rhode Island grid, making this simple piece of legislation bring multitude of benefits to all ratepayers across the state.

Lastly, a flexible grid system is a necessary condition for the state to reach its commitments set in the 2021 Act on Climate, and encouraging the development of batteries at all scales is one of the best things we can do to enable that flexibility.

We thank you for your consideration and commitment to helping Rhode Island make prudent choices that benefit the state's resilience, economic wellbeing, and environment.

Sincerely,

A handwritten signature in black ink that reads "Oliwia Krupinska". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Oliwia D. Krupinska
Policy and Regulatory Analyst
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