



For a thriving New England

CLF Rhode Island 235 Promenade Street
Suite 560, Mailbox 28
Providence, RI 02908
P: 401.351.1102
F: 401.351.1130
www.clf.org

Via Electronic Mail

March 5, 2026

The Honorable Marvin Abney
Chair, House Committee on Finance
Room 35, State House
Providence, RI 02903

RE: CLF Comments on House Bill No. 7127 – Proposed FY 2027 Budget

Dear Chair Abney:

Thank you for the opportunity to provide testimony on House Bill No. 7127, Governor McKee’s proposed budget for FY 2027. Today’s hearing is focused on proposed changes to several state energy programs, which would impact both costs to energy consumers and our state’s efforts to reduce greenhouse gas (“GHG”) emissions in compliance with the Act on Climate.

Conservation Law Foundation (“CLF”) is a member-supported non-profit environmental advocacy organization working throughout New England to counter climate change, restore the health of our oceans, embolden new energy infrastructure, and safeguard health, quality of life, and economic prosperity for future generations. We are working to reduce emissions, address the climate crisis, and push for affordable and equitable energy policies in Rhode Island and across New England.

The proposed arbitrary cap on energy efficiency programs and rollback of the Renewable Energy Standard (“RES”) represent a misguided and short-sighted attempt to address utility affordability. CLF is sensitive to the issue of energy affordability, as we understand that utility service is a necessity of modern life, and that many Rhode Islanders struggle to afford their utility bills. Far from driving up utility costs, energy efficiency has saved us billions of dollars in both fuel and infrastructure spending; the cheapest energy is the energy we don’t use at all. CLF agrees that some existing state efforts should be reviewed in light of rapidly changing environmental, market, political, and legal contexts. To that end, we offer comments on specific programs below and are available to lend our expertise as lawyers and insight from our experience.

The Governor’s budget proposals are well-intentioned but are likely to prove ineffectual. Our electric and gas bills are going up because of increasingly volatile fossil fuel prices and gas delivery system costs. The best way to protect Rhode Islanders from high energy costs in the long term is to reduce and ultimately end our reliance on these fuels. Cuts to programs like

energy efficiency create illusory short-term savings only by increasing energy costs over the long term.

Critically, the programs being amended in the Governor’s budget articles represent our most important progress to date on meeting the emissions reductions required by the Act on Climate. Here in the Ocean State, we are particularly vulnerable to climate impacts like rising seas and more frequent severe storm events. Rhode Island has both a legal and moral responsibility to do our part to address the climate crisis. Gutting our most important emissions reduction programs—only weeks after the publication of the state’s 2025 Climate Action Strategy (“CAS”)—would represent an abandonment of state government’s responsibility to protect our people and our natural resources.

We urge the General Assembly to lead on climate and reject rollbacks to these critical programs.

We offer the following comments on specific sections of the proposed budget:

Article 3, Section 16 - Energy Benchmarking

- We appreciate the continued push to benchmark the emissions associated with state properties and support this as a necessary first step. After all, it is hard to push for change when we do not know the current reality on the ground.
- It must be reiterated that this is **only** a first step. For Rhode Island to meet required emissions reductions there needs to be benchmarking across all large properties, beginning with the largest contributors to the climate crisis. Making reporting for municipal buildings voluntary is only a half-step in the right direction.
- There is one troubling carve-out that needs to be defined more clearly and administered more transparently. It appears to allow the Department of Administration to declare a building exempt due to economic infeasibility or unique limitations, thereby eliminating the need to do the cost-benefit analysis that would prove the infeasibility. This circular reasoning could be abused by an administration that wants to undermine the program.

Article 11, Section 3 - Cap on Energy Efficiency Program

- The beauty of energy efficiency is that each type of investment undergoes a rigorous analysis to ensure that it is less costly than buying a new unit of energy. In other words, this program is guaranteed to (more than) pay for itself!
- Under this proposal, we would be leaving huge potential savings on the table. We know that each additional dollar spent in this program would save a Rhode Islander three, and yet, this budget proposal sets an arbitrary limit on these net benefits. The message to Rhode Island ratepayers is clear: “We know we can help you, and we are choosing not to.”

- Rhode Island Energy’s support for these cuts is a conflict of interest, as they stand to profit by building more power lines and gas pipes. Utilities don’t make money on efficiency investments, which reduce the need for the costly infrastructure investments that result in increased shareholder profits.
- The Future of Heat Initiative does a good job of demonstrating how, despite our decreasing gas usage, the utility keeps spending more on gas distribution infrastructure.¹ We must break this cycle of dependence and stop the expansion of our gas system that is increasingly unaffordable.

Article 11, Sections 7 and 8 - Revisions to the RES

- CLF believes that expanding the ways to comply with the Renewable Energy Standard to include a newly defined “zero-emission resource” would dramatically reduce our investment in new renewable generation. It reflects a significant shift in policy in what the RES is intended to do, not explained or justified by vague references to affordability.
- The purpose of the RES at its inception was to create a market for new renewable energy and invest in local and regional renewable energy infrastructure, thereby chipping away at our reliance on coal and then oil and gas. Essentially the RES was designed to build a local energy economy rather than import our fuel and export our money. The proposed changes to the RES reflect a belief that we no longer need to invest in a local energy economy and that we can meet our emissions requirements with what is available, so long as the requirements are pushed out by 17 years.
- CLF opposes the proposal as drafted because it abandons the energy companies that are investing in our communities, hiring our neighbors, and displacing our reliance on gas and oil with an abundant and local energy supply.
- Unfortunately, some significant ambiguities in the language of the amendments create potentially irreconcilable confusion as to how the RES is to be administered. CLF points to the following:
 - The inclusion of “zero-emission resources” as part of the definition of both “existing renewable energy resources” and “new renewable energy resources” creates confusion about how to meet the different obligations for both classes of resources.
 - Allowing “zero-emission resources” to be used to meet the obligation for “new renewable energy sources” but setting a different Alternative Compliance

¹ See Future of Heat Initiative, *Paying More for Less: Rising Gas Bills in Rhode Island* (2025), available at <https://static1.squarespace.com/static/66709b162534097dc14f6ecd/t/6982283891d36a31763319ab/1770137656977/FoHI-Gas-Primer-RI.pdf>.

Payment (ACP) creates confusion about how an energy supplier would understand and meet its RES requirement.

Article 11, Sections 9 and 11 - Remuneration

- It has been definitively demonstrated that the utility does not need excess payments when using guaranteed ratepayer funds to purchase long-term energy agreements. We appreciate and support the acceleration of the work done years ago to sunset these unnecessary payments.

Thank you for your time and consideration of these comments.

Sincerely,



Jamie Rhodes
Senior Attorney, Rhode Island
Conservation Law Foundation

cc: Members of the House Committee on Finance
Darrèll Brown, Vice President, CLF Rhode Island