



February 25, 2026

VIA EMAIL (HouseFinance@rilegislature.gov)

Representative Marvin L. Abney
Chair, House Finance Committee
Rhode Island State House
Providence, RI 02903
rep-abney@rilegislature.gov

Re: Testimony regarding H 7127; An Act Relating to Making Appropriations for the Support of the State for the Fiscal Year Ending June 30, 2027 – Article 11

Dear Representative Abney:

I write to you in your capacity as the Chair of the House Finance Committee and with respect to Article 11 of H 7127, the Governor’s Budget Bill pending before your Committee. I write in my capacity as Senior Legal Counsel for Revity Energy LLC and its affiliates (“Revity”) and to articulate **Revity’s position regarding Sections 7 and 8 of H 7127.**¹ Revity is a Rhode Island-based utility-scale solar developer which has developed 27 photovoltaic solar energy system (“PSES”) facilities in Rhode Island with a total nameplate capacity of 147 megawatts, direct current (MWDC) and currently has 4 projects under construction totaling 48 MWDC. In any given year, Revity employs between 50 and 100 IBEW-99 union electricians to construct its facilities. 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 5 municipalities, 5 universities, 5 hospitals and 7 local businesses \$6.7 million on their electricity bills.

¹ Revity’s primary opposition to Article 11 is Section 10 which would impose a grid access fee on existing renewable energy resources and reduce the value of the net-metering credit for all renewable energy resources. Revity strenuously opposes Section 10 insofar as it would obliterate the balance sheets renewable energy facilities built over the last ten years and upend tens of millions of dollars in annual electricity savings currently enjoyed by the State’s municipalities, hospitals, universities, nonprofits and businesses. On February 9, the Governor issued his Executive Order No. 26-01 directing the Office of Energy Resources to convene stakeholder meetings to review the net-metering program to “ensure these programs do not impose an undue or disproportionate financial burden on households and businesses, while remaining aligned with the State’s emissions-reductions objectives.” Revity understands that Section 10 is not yet being heard by the Committee in light of the Executive Order and Revity will participate in the stakeholder review in good faith and in an effort to achieve the Governor’s stated goals.

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The Renewable Energy Standard (“RES”) was established in 2004 (S 2082-A) and required obligated entities to obtain increasing percentages of electricity from renewable energy resources until 2020. In 2016, the RES was revised (S 2185-A) to require obligated entities to obtain increasing percentages of electricity from renewable energy resources until 2035. In 2022, the RES was further revised (S 2274) to require obligated entities to obtain 100% of the electricity from renewable energy resources by 2033. Between the 2004 RES and the 2016 revision, Rhode Island developed approximately 30 MWs of PSES facilities. Between the 2016 revision and the 2022 revision, Rhode Island developed approximately 340 MWs of PSES facilities. In the three years since the 2022 RES revision, Rhode Island developed approximately 280 MWs of PSES facilities. The RES has succeeded in creating a flourishing industry in this State. As of December of 2025, Rhode Island ranked 35th in the country for solar development. This industry has raised \$2.2 billion in investment and employs over 1,400 people.²

Section 8 of H 7127 would revise the RES to delay the obligated entities’ requirement to obtain 100% renewable electricity until 2050.³ Section 8 would also reduce the alternative compliance payment (“ACP”) which is the payment that obligated entities must make to the renewable energy development fund (“REF”) if they do not comply with the RES.⁴ The REF is currently used to stimulate “investment in renewable energy development by entering into agreements, including multiyear agreements, for renewable energy certificates,” establish and maintain “a residential renewable energy program using eligible technologies,” provide “technical and financial assistance to municipalities for interconnection and feasibility studies, and/or the installation of renewable energy projects” and implement and support “commercial and residential property assessed clean-energy projects.”⁵ In addition to reducing the ACP paid by obligated entities to the REF, Section 8 would transfer 50% of the ACP payments from the REF directly to Rhode Island Energy “for the purpose of providing direct rate relief.”⁶ There is no legislative directive as to how those funds would be directed to provide “direct rate relief” but those funds, which would otherwise be transmitted to the State’s REF, would be transmitted directly to Rhode Island Energy.

The revisions proposed by Section 8 will materially alter the revenue models for existing renewable energy resources in the State. To comply with the RES, obligated entities must purchase renewable energy credits (“RECs”) from eligible renewable energy resources. Pursuant to the Act on Climate, obligated entities must either purchase RECs to match the percentages established by the RES or pay the ACP to the REF. RECs represent a significant portion of the revenue stream for renewable energy facilities. Lowering the ACP will depress the price of RECs and reduce the revenue for existing renewable energy facilities. Reducing contributions to the REF will harm various programs that stimulate renewable energy in lower income areas.

Last year, Rhode Islanders paid the 4th highest electricity prices of any state in the country and so it is no surprise that ratepayer savings are paramount to the Governor and the General Assembly. Article 11 projects to save ratepayers \$1 billion over 5 years and is premised on the

² <https://seia.org/state-solar-policy/rhode-island-solar/>

³ H 7127 at § 39-26-4(a)(10)-(14).

⁴ H 7127 at § 39-26-2.

⁵ R.I. Gen. Laws § 39-26-7(c).

⁶ H 7127 at § 39-26-7(10).

conclusion that the Act on Climate, the RES and renewable energy generation are primary drivers of the State's electricity costs. However, in 2004, when these programs were first enacted, Rhode Island had the seventh (7th) highest electricity prices in the country. On the average Rhode Island residential electric bill, taxes and state programs (energy efficiency, LIHEAP, and renewable energy programs) represent 24%, supply charges represent 35%, transmission charges represent 16% and distribution charges represent 25% of the bill. Of the 76% of the electricity bill that comes from utility's supply, transmission and distribution charges, Article 11 will save the ratepayer \$73 million over 5 years (7.3% of the \$1 billion in projected savings). The remaining \$927 million will come from delaying the climate targets established by the 2022 Act on Climate, reducing the value of net-metering credits and reducing funding for the State's REF and energy efficiency program.

The Governor has announced that these changes will save the average residential ratepayer \$180 per year on their electricity bills.⁷ Certainly, those savings will be welcome relief for Rhode Island ratepayers; however, without structural reform to the utility's supply, distribution and transmission costs, these savings will be temporary. If electricity costs rise by just 3.5% per annum, the \$180 savings achieved by delaying the RES and reduced funding for the REF will be outpaced by these increases in less than two years.⁸ Regardless of whether the State decides to cut its renewable energy and energy efficiency programs, we must still address the structural increases in supply and distribution charges.

Supply charges reflect the price that the electric distribution company pays to third-party generators for the electricity used by its ratepayers. These charges are always more volatile in Rhode Island because this State generates a higher percentage of electricity from natural gas than any other state in the country. In 2024, the five states generating the highest percentage of electricity from renewable energy paid 4.75 cents *less* for electricity than the five states generating the highest percentage of electricity from natural gas. A hidden portion of supply charges are "retail premiums" which reflect the third-party generator's profits, transaction costs and risk assessments. Rhode Island Energy contracts for electricity supply 6 months ahead of demand and so these generators must predict the future costs of natural gas. These predictions are fraught because they rely on assumptions about inputs such as weather, elections and international diplomacy. Like an insurance company, the generators build the risks of incorrect predictions into the rate premium which is ultimately passed onto the ratepayer. Recent reporting on Massachusetts' electricity procurement (which has the same procurement cycle as Rhode Island) found that, over the last decade, these retail premiums have accounted for 43% of supply costs.⁹ In 2023 and 2024, these premiums cost Massachusetts ratepayers \$47 per month. If the retail premiums paid by Rhode Island ratepayers are anywhere near those paid by Massachusetts ratepayers, the ratepayer burden imposed by these retail premiums alone would be equal to this State's entire renewable energy portfolio. States have addressed these rising retail premiums through spot market and block purchasing as well as increasing reliance on long-term renewable energy contracting because solar and wind cannot charge retail premiums.

⁷ <https://www.wpri.com/news/politics/mckees-14-9b-budget-plan-seeks-new-3-tax-on-millionaires-rollback-of-climate-costs/>

⁸ Assuming the average residential electricity bill is \$250/month, the annual bill is \$3,000. Backing out the \$180 saved by Article 11, a 3.5% increase on the remaining \$2820 would equal \$98.7 annual increases.

⁹ <https://www.synapse-energy.com/sites/default/files/Overcharged%20-%20Suppliers%27%20Retail%20Premiums%20are%20Inflating%20Massachusetts%20Electric%20Bills%2025-121.pdf>

Distribution charges reflect the electric distribution company's cost to upgrade grid infrastructure. These costs continue to grow as consumption rises and the electric infrastructure becomes increasingly constrained. The State's grid currently has more than 30 distribution feeders at least 80% constrained including 2 feeders which are over 100% constrained.¹⁰ Without upgrades, these feeders will soon become, if they are not already, incapable of providing reliable service. There are various grid technologies (such as batteries and dynamic line ratings) that can be deployed to alleviate these constraints short of rebuilding the entire distribution system. In 2024, the General Assembly enacted the Energy Storage Act (S 2499-A) which required the electric distribution company to study and propose tariffs to interconnect and compensate battery systems by May 1, 2025 to reduce distribution costs. As of the date of this testimony, no tariffs have been proposed.

The renewable energy programs in this State have driven investment, saved our valued institutions millions of dollars in electricity costs and advanced our climate goals. Barring legislative or regulatory reform, increasing supply, transmission and distribution charges will quickly swallow any savings achieved by gutting the State's renewable energy programs and abandoning the Act on Climate. Before the State resorts to a drastic departure from its climate goals, it should consider reforms to the supply, transmission and distribution costs that drive the majority of ratepayer costs.

If the Committee has any questions regarding H 7127 or the statements made in this testimony, please contact my office.

Regards.



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REVITY ENERGY LLC AND AFFILIATES

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¹⁰ <https://experience.arcgis.com/experience/b7f446f95c6b4d548d694737c9e66846>