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Testimony Submitted By:

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Pertaining to: Opposing Provisions in House Bill 7127 Article 11 that would carbon emissions reductions and meeting the mandates set by the Act on Climate

Chair and Members of the Committee:

Thank you for the opportunity to submit testimony opposing provisions in Article 11 of Governor McKee's proposed budget that would incentives for development and renewable energy. I respectfully urge the Committee to carefully consider the long-term economic, fiscal, and climate implications of this Article, particularly as it relates to clean energy investment and Rhode Island's statutory climate obligations.

By signing the Act on Climate Governor McKee and Rhode Island made important commitments to reduce greenhouse gas emissions by transitioning to a more resilient and affordable energy system. Article 11, as proposed, risks undermining those commitments by delaying or reducing investments necessary to accelerate the transition to clean energy. Such delays would materially increase climate risk, long-term costs, and economic instability for Rhode Islanders.

Most concerning about energy affordability provisions of Article 11 is that they reflect an apparent failure to understand the basic science of climate change. Carbon molecules emitted today will remain in the atmosphere for decades. Delaying action on promoting renewable energy but continuing to support net zero emissions by 2050 denies the physics of climate change. By not acting responsibility to reduce emissions through the decades before 2050 sets an example that if widely followed by other states could make the potential impact of climate change on the well-being of every Rhode Islander much worse. The points that follow explain the consequences of the misguided measures proposed in Article 11 that will substantially reduce the rate of emissions decline.

1. Climate Risk and Financial Risk

Climate change is not a distant threat; it is a current and escalating fiscal liability. Rhode Island's coastal geography makes it particularly vulnerable to sea-level rise, storm surge,

flooding, and extreme heat. Every year of delayed emissions reduction increases the probability and severity of climate impacts, thereby compounding infrastructure damage, public health costs, emergency response expenditures, and insurance losses.

Insurance affordability is an immediate concern. Increasing severe weather risk results in higher premiums, narrower coverage, limited availability of policies, and greater financial risk for homeowners — especially in areas facing rising seas, and more extreme rain events. Especially in places like Rhode Island.

Delaying investment in decarbonization effectively increases the state's exposure to systemic risk. The longer emissions remain high, the more severe and costly adaptation and resilience measures must become. Investments in renewable energy, electrification, and efficiency are not discretionary spending—they are necessary investments to secure a safe sustainable future.

2. Cost of Delayed Action

Postponing carbon-reduction investments does not eliminate costs; it shifts them into the future at a premium. Infrastructure retrofits, coastal fortifications, flood mitigation, grid hardening, and public health interventions become significantly more expensive when climate impacts intensify.

Economic analyses consistently demonstrate that early mitigation reduces the magnitude of required adaptation spending. Delaying action forces future legislatures to fund emergency repairs rather than planned transitions. This reactive posture is fiscally inefficient and disproportionately burdens future taxpayers and even worse threatens the resilience of the socio ecological systems that sustain community well-being. If these systems are irreparably broken, the social and economic breakdown may be extreme beyond what is imaginable.

3. Impacts on Green Energy Development and Jobs

Policy stability is critical for capital-intensive sectors such as offshore wind, solar development, and grid modernization. Abruptly discontinuing or weakening clean energy incentives sends a negative signal to investors and developers. Projects may be delayed, scaled back, or relocated to other states with clearer policy commitments.

Rhode Island has been a regional leader in offshore wind and marine renewable innovation. Disruptions in incentives could stall project pipelines, eliminate construction and operations jobs, and weaken the state's competitive advantage in a rapidly growing sector. Workforce training programs, supply chain investments, and local hiring pipelines all depend on predictable policy frameworks.

These structural constraints make New England uniquely vulnerable to fuel price shocks. Continuing to rely on imported fossil fuels perpetuates this disadvantage.

4. Green Energy Improves Long-Term Competitiveness

New England already faces some of the highest electricity and heating costs in the country. The region has limited in-region fossil fuel production as such the region must import most of fossil fuel necessary to make electricity, heat homes and businesses and fuel all types of vehicles.

The region's reliance on imported fossil fuels—particularly natural gas—exposes residents to volatile global energy markets. When gas prices spike, electricity rates follow.

Middle- and low-income households are particularly vulnerable because energy expenditures consume a larger share of their income. Delaying the transition to local, renewable generation perpetuates exposure to fossil fuel price volatility and capacity constraints. In contrast, renewable resources such as wind and solar have zero fuel cost once built, providing long-term price stability.

Developing in-region renewable resources—particularly offshore wind, onshore wind, solar, and storage—reduces dependence on imported fuels and insulates ratepayers from global commodity swings. Once built, renewable facilities have predictable operating costs and no fuel price exposure.

Over time, a diversified clean energy portfolio can:

- Stabilize electricity prices
- Reduce transmission congestion
- Attract advanced manufacturing and innovation
- Create in-state jobs
- Improve public health outcomes

In the long term, energy competitiveness depends on predictable and affordable power. Clean energy is not simply an environmental imperative—it is an economic strategy.

Conclusion

Article 11 should be evaluated not only through simplistic lens of short-term affordability, but also through the broader framework of fiscal prudence, climate risk management, and economic competitiveness. Delaying investment in emissions reduction increases long-term costs, heightens climate exposure, undermines job growth, and prolongs high energy burdens for working families.

Rhode Island is a national leader in building a resilient, more affordable, and clean energy future. I respectfully urge the Committee to ensure that the final budget preserves and strengthens, rather than weakens, the policies necessary to accelerate that transition.

Thank you for your consideration.