

Testimony in opposition to H7127:

Dear Chair Abney and members of the House Finance Committee,

Since this is the finance committee, I will focus my remarks on why good climate policy is good fiscal policy.

First, the governor's deep cuts to climate programs are not the path to affordability for all. They are quite the opposite—short-sighted policies driven by election-year politics. They are a quick fix that doesn't fix anything. In fact, they lock us into our over-dependence on natural gas, which is the real cause of soaring energy rates.

If you doubt this is true, consider these common-sense points:

1) If 87% of our electricity is produced by natural gas and 10% is produced by clean energy, which one do you think is the cause of high electric rates? Right. It's the elephant in the room that's going to trample you, not the gerbil. But the governor, RI Energy, and the fossil fuel industry want you to believe it's the gerbil you need to worry about.

2) 100% of the natural gas we use in Rhode Island is imported from places like Texas, Pennsylvania, and Canada. That means all that money—billions each year—is flowing out of state to create jobs and bolster the economy of distant states and foreign countries. But if we invest in clean energy, all of the money we spend on wind, solar, and efficiency programs stays in our state economy, creating jobs for Rhode Islanders. Yet the governor wants to make massive cuts to the programs that support local clean energy.

3) It's undeniable that the cheapest energy is the energy you don't have to buy. So programs that reduce energy use, such as weatherization and heat pumps are the best path to affordability. Weatherization can cut a homeowner's fuel consumption by 15%, according to the EPA. Heat pumps are 2-4 times more efficient than a gas furnace. Yet these are the programs the governor wants to cut to save a few dollars on this year's bill.

4) Every winter, energy rates spike because we need to activate aging and enormously expensive fossil fuel plants to meet winter demand. If we invest in new clean energy, we won't have to fire up those expensive "peaker plants," which will dramatically reduce winter rates. But the governor's budget includes a new Grid Access Fee on new and existing solar developments, which will choke off new solar power in this state. Solar development is exactly what we need to reduce our over-dependence on gas and keep the most expensive gas plants off line.

5) Gas prices are rising and are projected to continue rising. In contrast, the price of clean energy has been dropping every year for a decade. That's why Europe, China, India, Brazil, and other first-world countries are switching to clean energy.

6) For every \$1 ratepayers invest in clean energy and efficiency programs, we get back \$3 in benefits, according to the state's Energy Efficiency Council. Imagine these programs as a stock:

If you invest \$1,000, you get back \$3,000. Do you want to invest? Yet those are the programs the governor wants to cut—programs that provide a 300% return on our investment.

By slowing our transition to clean energy, the governor's budget locks us into an antiquated 20th-century system at a time when we should be investing in a 21st-century system that will control costs into the future. So the question before you is simple:

Do you want to hitch your wagon to an energy that is getting more expensive, or one that is getting cheaper? Do you want to hitch your wagon to energy that is clean, or energy that's dirty? Do you want to hitch your wagon to the energy of the future, or the energy of the past?

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