

February 24, 2026

RI House Finance Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903
HouseFinance@rilegislature.gov

RE H7127: AN ACT MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2027

Dear Members of the House Finance Committee:

Our firm opposes article 11 of H7127, to the extent it caps the budget for energy efficiency (section 3), reduces infrastructure bank funding for demand side management (section 5), extends the Renewable Energy Standard compliance deadline to 2050 (section 8) and would increase costs and reduce incentives to net metering customers (section 10), purportedly to address “affordability.” This testimony is volunteered from our firm alone and is not commissioned on behalf of any of our clients.

There is no support in RI’s energy or climate law or policy for the proposition that RI will better produce affordability by scaling back energy efficiency or any local, clean energy solutions to our energy affordability crisis. It’s continued business as usual that further threatens energy affordability by overreliance on natural gas and more utility investment in our already overbuilt energy systems.

The PUC and RI Energy hired two consultants to oversee its *Future of Gas* docket. They reported that Rhode Island has one of the highest electricity rates in the country and explained why - we have a system peak that is twice as high as the average demand on the system, which means that the full capacity of our system is only utilized during periods of high demand. That finding echoed the conclusion reached by the Division of Public Utilities and Carriers, the PUC and our Office of Energy Resources in their joint report on *Transforming our Power Sector*. It’s also clearly stated in RI’s Energy Plan, *Energy 2035* – “Rhode Island cannot afford a business-as-usual course of action that increases energy security risks to the state, costs more than viable alternative paths, and fails to meet our obligation to mitigate the worst consequences of global climate change.” It is plain malfeasance for this Administration to propose scaling back renewable energy programs and incentives and energy efficiency budgets in the name of affordability.

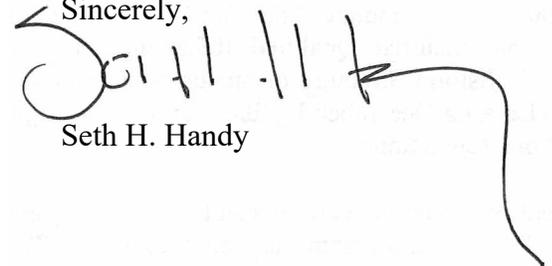
Article 11, section 10 of the Governor’s 2026 budget would authorize RI Energy to impose an “access fee” on renewable net metering customers for their use of the distribution system. Narragansett Electric Company proposed this access fee before (in PUC docket 4568) but when all of its opposition illustrated the total lack of supporting evidence for its allegation that renewable energy customers are subsidized by other ratepayers, the utility withdrew its proposal.¹ Budget Article 11 section 10 would also reduce the

¹ Docket No. 4568 – *NEC Review of Electric Distribution Design Pursuant to R.I. Gen. Laws § 39-26.6-24* <https://ripuc.ri.gov/eventsactions/docket/4568page.html> Handy Law represented Green Development LLC in that proceeding and had filed for summary disposition before NEC withdrew its proposal. See

rate for some net metering customers to the wholesale rate as of 2045, rendering many existing and planned projects financially insolvent. In addition to undermining cost-effective competition and performance on our Act on Climate, such changes would send the death knell signal to renewable energy markets that they cannot rely on consistency in RI's energy programs. In direct contravention of the 2025 Climate Action Strategy, which relies on the renewable energy standard as its basis for compliance with the Act, the Governor's 2026 budget proposes to relax Rhode Island's renewable energy standard by delaying our achievement of one hundred percent clean electricity from 2033 to 2050.

Most egregiously, in Article 11 section 3, this Governor, acting through OER and with the support of the Division, has actually requested that RI Energy find cuts to its 2026 budget for energy efficiency, purportedly in the name of affordability. RI Energy (happily) found such cuts which were supported by the agencies and approved by the PUC. Nothing in *Energy 2035* or the recommendations in *Transforming the Power Sector* or the E3 Report in *the Future of Gas* could be construed to support any claim that reduced investment in energy efficiency is a path to rate reduction. In fact, every single consultant and stakeholder supported energy policy planning process that has ever addressed the subject has been 100% plain and clear that our energy systems are already overbuilt and that the best way to reduce energy costs is to ensure load reduction and load flexibility so that we can respond to peak load in ways other than the system investments that only benefit RI Energy's shareholders.

Thank you for your consideration of these comments in opposition to article 11, sections 3, 5, 8 and 10 of H7127. It is just the opposite of RI's carefully charted direction on energy affordability.

Sincerely,

Seth H. Handy

<https://ripuc.ri.gov/sites/g/files/xkgbur841/files/eventsactions/docket/4568-WED-SummaryDisposition.pdf>.

That proceeding actually resulted in the PUC's investigation of how to fully and accurately assess the costs and benefits of energy decisions in its docket 4600.