



March 5, 2026

Honorable Marvin L. Abney
Chairman, House Finance Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903

Re: HB7127 - An Act Relating to Making Revised Appropriations in Support of FY 2027, Article 3, Section 17; Article 11, Section 3 - Support

Dear Chairman Abney:

On behalf of Rhode Island's business community, the Rhode Island Business Leaders Alliance writes in strong support of several provisions within the Governor's proposed FY 2027 Budget, HB7127, particularly Article 3, Section 17 and Article 11, Section 3.

As of December 2025, Rhode Island has the region's highest and the nation's third highest commercial electric rates, trailing only California and Hawaii.¹ These elevated rates translate directly into substantial additional monthly operating costs for businesses of all sizes.

For many employers, electricity ranks among their top operating expenses. In a competitive regional economy where businesses can expand or relocate across state lines, persistent cost differentials of even a few cents per kilowatt hour materially affect investment decisions, hiring, and long-term capital planning. Immediate relief is essential to building and maintaining Rhode Island's economic competitiveness and protecting and growing jobs.

Article 3, Section 17 – Renewable Energy Standard

Without intervention, the Renewable Energy Standard ("RES") trajectory is projected to impose nearly \$1 billion in additional costs over the next five years. These costs are borne directly by commercial and industrial ratepayers through compliance charges embedded in electric bills.

While the business community supports the State's commitment to renewable energy and emissions reduction, the current escalation schedule does not adequately account for affordability, grid reliability constraints, or regional market conditions.

¹ https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a

The Governor's proposal to recalibrate the RES to a more achievable and economically sustainable path forward would reduce the projected five-year burden to approximately \$416 million, a reduction of nearly \$600 million. Importantly, this proposal does not abandon the State's renewable energy goals. Rather, it moderates the pace of mandated increases to better align with supply availability, transmission capacity, federal incentive structures, and ratepayer impact.

Rhode Island's energy transition occurs within the ISO-New England regional grid, where resource adequacy, transmission constraints, and capacity market dynamics significantly influence pricing. Compliance schedules that outpace regional infrastructure realities risk exacerbating volatility and price spikes. A measured recalibration ensures that Rhode Island remains committed to clean energy while safeguarding ratepayer stability and system reliability.

Businesses require predictable and stable policy frameworks in order to make long-term investments. The proposed Article 3, Section 17 provides necessary flexibility within the statutory framework governing energy planning, ensuring that affordability, reliability, and competitiveness are given appropriate weight alongside environmental objectives. Sequencing matters. Advancing environmental ambition without regard to economic sustainability ultimately undermines both.

Article 11, Section 3 – Energy Efficiency Program Cap

Nearly a quarter of every customer's electric bill consists of state-mandated taxes, charges, and program costs. While energy efficiency programs provide important benefits, Rhode Island's spending levels exceed many neighboring jurisdictions on a per-capita basis. The Governor's proposal to cap the energy efficiency program at \$75 million annually represents a prudent recalibration of these programs.

The proposed cap is projected to save ratepayers more than \$100 million over the next five years while maintaining meaningful efficiency investments. In an inflationary environment where employers face rising labor, supply chain, insurance, and financing costs, moderating the growth of mandated surcharges is both reasonable and responsible.

Similarly, eliminating performance incentive payments to Rhode Island Energy, estimated at approximately \$2.6 million annually, ensures that ratepayer funds are directed toward program delivery rather than compensation structures that exceed regional norms. Ratepayer dollars should prioritize measurable program outcomes and cost containment.

The business community recognizes that energy efficiency and renewable development yield long-term benefits. However, public policy must balance long-term aspirations with present-day

affordability and economic reality. Adjustments within the proposed Articles 3 and 11 do not reverse progress; they recalibrate timelines and cost structures to ensure that Rhode Island's clean energy transition remains viable, durable, and broadly supported.

Unchecked escalation of mandated costs risks eroding public confidence, discouraging investment, and placing Rhode Island employers at a further structural disadvantage within the region. Thoughtful moderation today strengthens the foundation for continued progress tomorrow.

For these reasons, we respectfully urge the Committee to adopt Article 3, Section 17 and Article 11, Section 3 within HB 7127 as proposed. These provisions stabilize commercial energy costs, protect jobs, encourage investment, and maintain a responsible and affordable pathway toward a cleaner and more reliable energy future for Rhode Island.

Respectfully submitted,

[Gregory Tumolo](#)

Executive Director

Rhode Island Business Leaders Alliance

CC: Members of the House Finance Committee