April 6, 2026

VIA EMAIL (HouseFinance@rilegislature.gov)

Representative Marvin L. Abney
Chair, House Finance Committee
Rhode Island State House
Providence, RI 02903
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Re: Support for H 7808; An Act Relating to Taxation -- Sales and Use Tax -- Liability and Computation

Testimony regarding H 7506; An Act Relating to Taxation -- Sales and Use Tax -- Liability and Computation

Dear Representative Abney:

I write to you in your capacity as the Chair of the House Finance Committee and with respect to H 7808 and H 7506, two bills pending before your Committee. H 7808 would extend the sales tax exemption in R.I. Gen. Laws § 44-18-30(57) to battery energy storage systems ("BESS") and H 7506 would extend that exemption to battery energy storage systems but only if they are connected to solar energy photovoltaic systems ("PSES"). I write in my capacity as Senior Legal Counsel for Revity Energy LLC and its affiliates ("Revity") and to express **Revity's strong support for H 7808**. Revity is a Rhode Island-based utility-scale solar developer which has developed 27 PSES facilities in Rhode Island with a total nameplate capacity of 147 megawatts, direct current (MW_{DC}) and currently has 4 projects under construction totaling 48 MW_{DC}. 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.

Through the Energy Storage Act of 2024, the General Assembly declared that it is in the public interest to support the deployment of the following energy storage capacity: (1) 90 MW by December 31, 2026; (2) 195 MW by December 31, 2028; and (3) 600 MW by December 31, 2033.[1] As of January 2026, 43,594.1 MW of energy storage systems have been

[1] R.I. Gen. Laws § 39-26.1-10(a).

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installed across the country with another 60,328.7 MW in development.[2] Rhode Island has one 3 MW utility-scale energy storage system located in the Pascoag Utility District. Rhode Island is 47th in the country for energy storage development (just ahead of Louisiana, North Dakota, and South Dakota). Massachusetts has installed 482.2 MW of energy storage and Connecticut has 340 MW in development.

BESS facilities are critical grid enhancing technologies and Rhode Island has fallen behind 46 states in growing this industry for the benefit of their ratepayers. The value of energy storage systems has already been enumerated by the General Assembly. Rhode Island law declares that energy storage systems "connected to the electric power system could alleviate time and location-based constraints on the distribution and bulk power systems including physical, economic, and environmental constraints, and result in lower costs to the general body of ratepayers if located in the right place and operated at the right time" and directs the securing of "a long-term, stable, and affordable supply of energy storage systems, [as] it is essential that Rhode Island begin procuring and deploying energy storage systems as an alternative to costly and redundant utility distribution infrastructure."[3]

The difference between H 7808 and H 7506 is that the former would extend the sales tax exemption in R.I. Gen. Laws § 44-18-30(57) to all BESS whereas the latter would only apply the sales tax exemption to BESS which is connected to solar generation facilities. The value of BESS connected to solar facilities is clear, this technology addresses solar intermittency—the fact that solar can only provide electricity to the grid when the sun is shining. Solar-connected BESS can store the electricity generated throughout the day and release it during peak demand hours in the evening. Standalone BESS with no connection to solar provides substantial grid value as well. In its 2023 "Examination of the Value of and Need for Energy Storage Resources in Rhode Island: Report to the Rhode Island Senate in Response to Resolution 416", the Rhode Island Public Utilities Commission concluded that energy storage systems "can reduce the market price for electricity," "improve power quality by charging and discharging as needed" and "avoid the need for new capacity investments." [4] A standalone BESS charges from the grid at a time of day when demand is low, holds that electricity and then discharges at a point when demand is high. This service relieves the constraints on distribution and transmission lines because the electricity is already in the area during times of peak demand to service local ratepayers. The RIPUC reported in 2023 that "[w]hen peak conditions near or exceed the capacity of the power system (e.g. generation capacity, transmission capacity, distribution capacity), utilities and system operators must upgrade or expand their existing infrastructure" but "[b]y performing during these peak conditions, storage can avoid the need for new capacity investments."[5] The 3 MW storage system installed in the Pascoag Utility District provides an example of the grid benefits offered by energy storage systems. According to the PUD general manager, this system saved the Pascoag ratepayers $12 million by avoiding infrastructure upgrades.[6]

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[2] https://www.eia.gov/electricity/data/eia860m/
[3] H 7811 (2024).
[4] chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-10/RIPUC%20Final%20Storage%20Report_Docket%205000.pdf at p. (ii).
[5] *Id*.
[6] https://energy.ri.gov/press-releases/governor-mckee-pascoag-utility-district-announce-opening-rhode-islands-first-utility

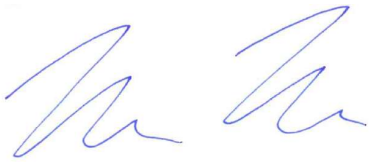
It is news to no one that Rhode Island has the fourth highest electricity rates in the country. Distribution and transmission charges constitute 38% of the average residential ratepayers' monthly bill.[7] Distribution and transmission charges reflect Rhode Island Energy's cost to maintain grid infrastructure and Rhode Island Energy earns its rate of return on distribution charges. The grid currently has more than 30 distribution feeders at least 80% constrained including 2 feeders which are over 100% constrained.[8] Without upgrades, these feeders will soon become, if not already, incapable of providing reliable service to the ratepayers. For example, Feeder 76F5 in Providence connected to the Point Street substation is 101.8% constrained. In its most recent Electric ISR (Infrastructure, Security & Reliability) filing, Rhode Island Energy stated that the "Point Street substation, which was noted to remain highly loaded in the previous study, continues to be a concern" and "large load interconnections have occurred/are occurring in the remaining 11kV and 4kV areas placing strain on those facilities."[9] There are 6 feeders in the North Central Planning Area (18F5, 69F3, 18F9, 18F7, 18F13 and 21F2) with an average constraint of 97.07% (4 of which are connected to the Johnston substation). In reporting on the North Central Planning Area, Rhode Island Energy's recent ISR filing states that "[l]oading and contingency concerns are emerging in this area" and, more specifically, "Johnston feeders have experienced recent large load and generation applications and interconnections."[10] There is a feeder in Providence (1149) which is 117.43% constrained. There are two feeders in the Newport planning area (32J12 and 32J14) on the Harrison substation that are 107.37% and 103.28% constrained, respectively. These constraints are not going to be resolved without infrastructure upgrades as ISO New England anticipates a 15 percent increase in gross annual energy use by 2034.[11]

Rhode Island can no longer afford to ignore battery energy storage as a critical grid technology necessary to stabilize and modernize our electricity infrastructure. R.I. Gen. Laws § 44-18-30(57) already provides sales tax exemptions to various forms of grid infrastructure (solar, wind, heat pumps, and geothermal equipment) which the General Assembly has seen fit to promote and incentivize. H 7808 and H 7506 extend the sales tax exemption to battery energy storage development. Revity supports H 7808 over H 7506 because the sales tax incentive should apply not only to solar-connected BESS facilities but standalone BESS facilities as well given that those facilities will provide tremendous benefits to grid reliability in a way that will address distribution costs to the ratepayer.

[7] https://capitoltvri.cablecast.tv/show/11783
[8] https://experience.arcgis.com/experience/b7f446f95c6b4d548d694737c9e66846
[9] Proposed FY 27 Electric Infrastructure, Safety, and Reliability Plan Filing (Docket No. 25-54-EL) at p. 8 of 21.
[10] Proposed FY 27 Electric Infrastructure, Safety, and Reliability Plan Filing (Docket No. 25-54-EL) at p. 7 of 21.
[11] ISO-NE, 2025 CELT Report, *available at* https://www.iso-ne.come/system-planning/system-plans-studies/celt/.

If the Committee has any questions regarding H 7808 or H 7506 or the statements made in this testimony, please contact my office.

Regards.



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