

Appendix

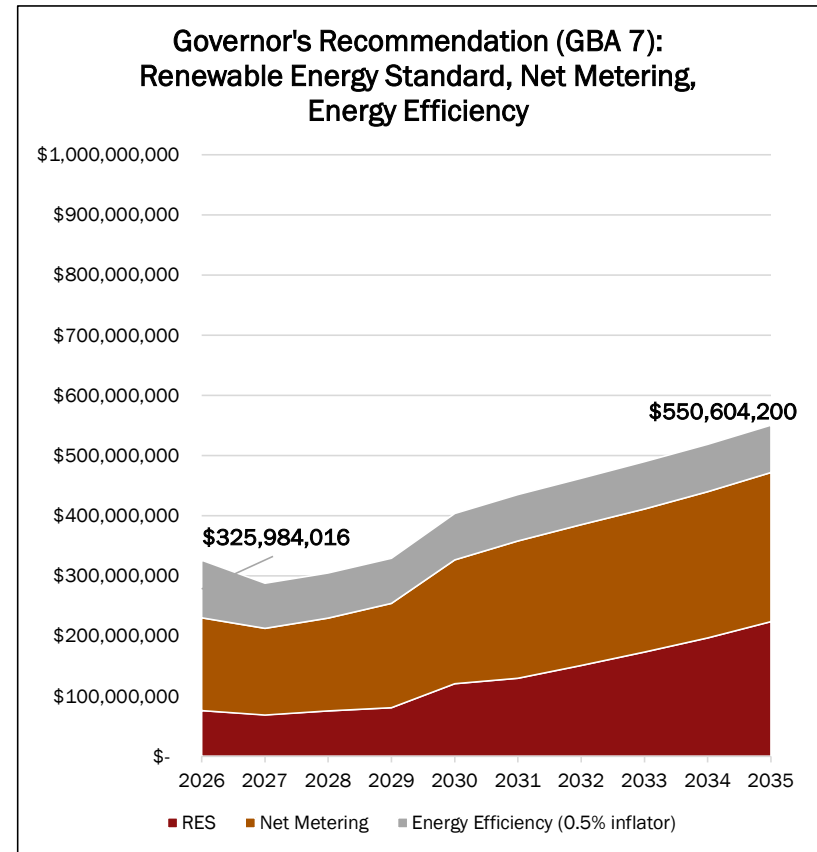
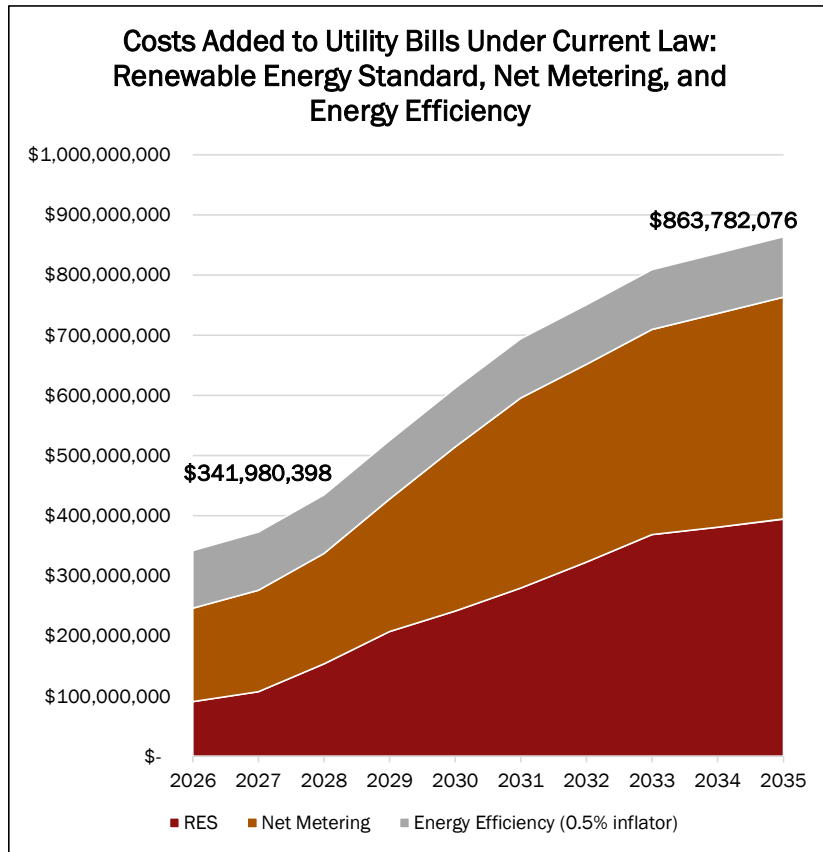


**RHODE
ISLAND**

Appendix: Ratepayer Savings Schedule

Year	2027	2028	2029	2030	2031	Total
Total Ratepayer Relief	125,660,970	151,123,897	219,400,297	233,737,865	285,532,618	1,015,455,646
Monthly Energy Usage	Estimated Annual Customer Savings (\$)					
585 kwh per month	113	134	193	204	247	891
700 kwh per month	136	161	232	245	296	1,070
850 kwh per month	165	196	282	297	359	1,299
1,000 kwh per month	194	231	331	350	423	1,528
1,200 kwh per month	232	277	398	419	507	1,834
1,400 kwh per month	271	323	464	489	592	2,139
1,600 kwh per month	310	369	530	559	676	2,445
1,800 kwh per month	349	415	597	629	761	2,750
2,000 kwh per month	387	461	663	699	846	3,056

Cumulative Impact of Article 11/GBA 7 v. Current Law



\$1B in Ratepayer Relief Over Five Years



The Governor’s budget proposal delivers significant utility bill relief over the next five years by reforming State programs and taxes that account for approximately a quarter of customers’ energy bills:

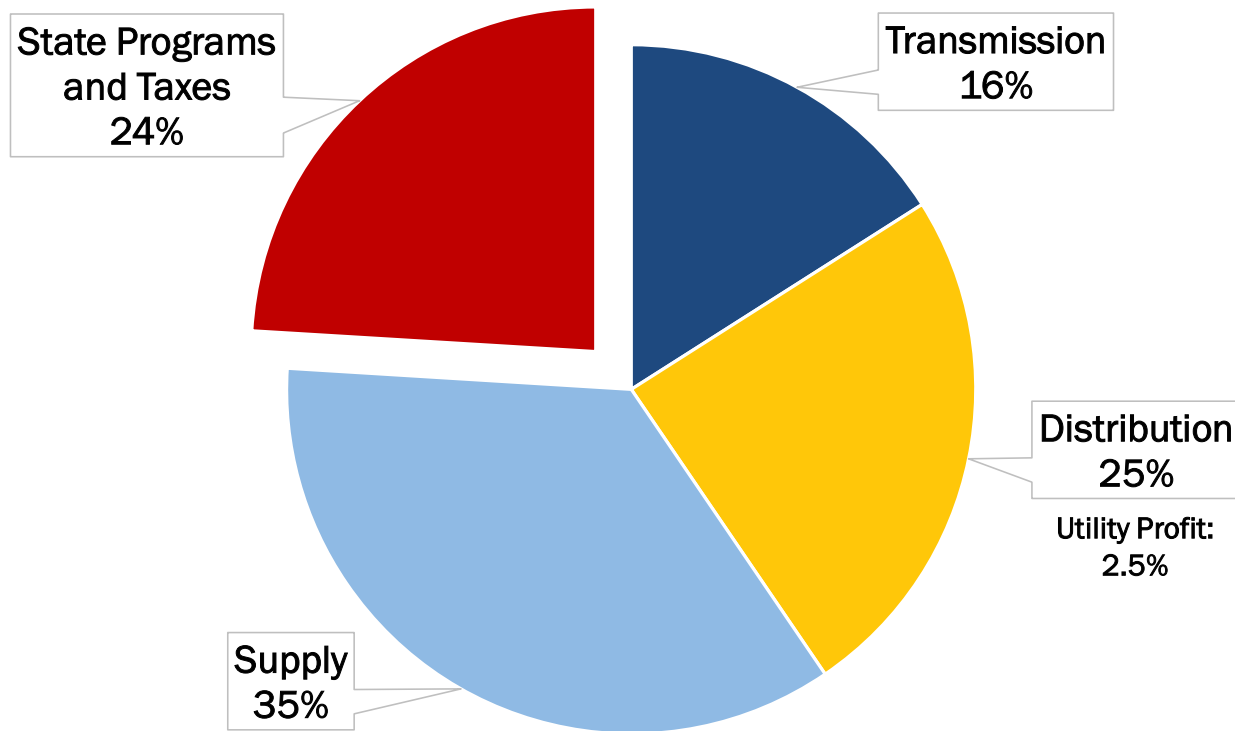
According to the U.S. Energy Information Administration, Rhode Island has the fourth highest residential electric rates in the country. The Trump administration’s tariffs and erratic permitting actions have contributed to rising costs and uncertainty.

- **Providing relief.** Affordability pressures are rising across the economy, with utility bills representing a particularly acute and regressive cost burden. The Governor’s top priority is to deliver sustained ratepayer relief over the next five years.
- **Aligning with the region.** Every recommendation in the Governor’s ratepayer relief proposal is based on actions already implemented or established as best practice in neighboring states.
- **Creating a more affordable path to decarbonization.** A balanced approach delivers near-term ratepayer relief while placing climate programs on a more sustainable fiscal footing and advancing emissions-reduction goals at lower cost.

Year	Projected Ratepayer Savings
2027	\$125.7M
2028	\$151.1M
2029	\$219.4M
2030	\$233.7M
2031	\$285.5M
Total	\$1,015.4M

The full savings table can be found in the appendix.

Average Residential Electric Bill (2025)

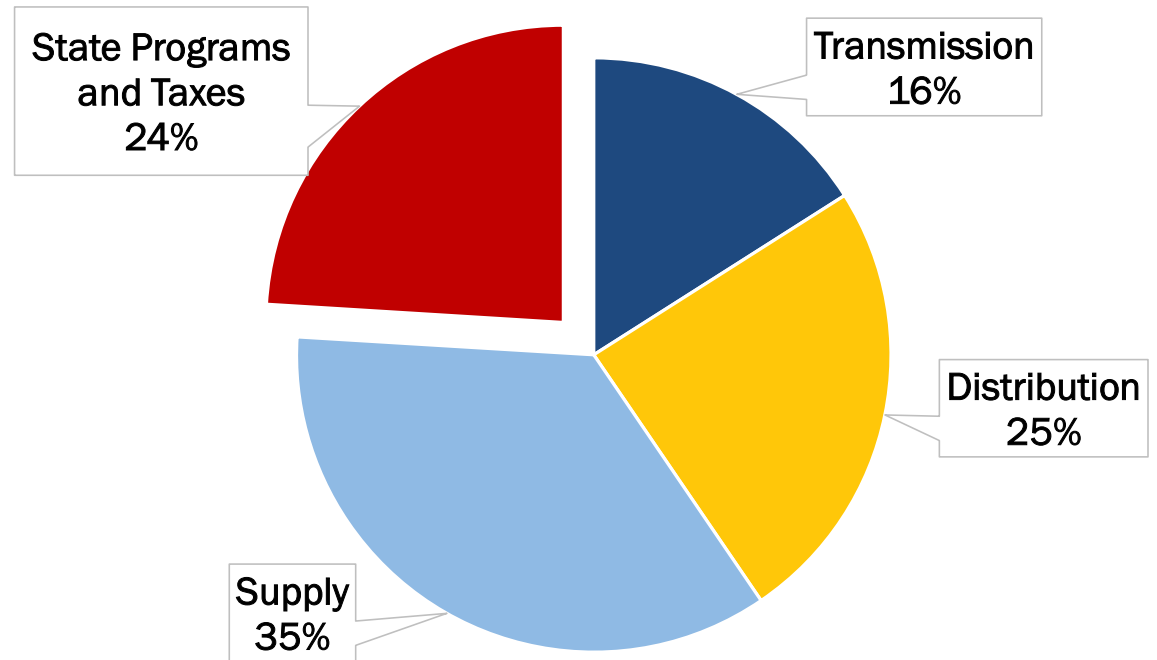


Since 2020, the distribution portion of the average electric bill has increased by about 5%, while **state programs and taxes** have grown roughly **36%**.

State programs and taxes now make up about one-quarter of the average residential electric bill.


Average Residential Electric Bill (2025)

Program/Tax	Percent of Bill
Renewable Energy Standard	4.9%
Net Metering	4.9%
Gross Earnings Tax	4.0%
Energy Efficiency	3.7%
Renewable Energy Growth	3.0%
Long-Term Contracting	2.2%
Low-Income Discount / LIHEAP	1.4%
Total	24.0%



Transparency: Example RI Energy Bill

Supply Details

	Supply Charges for Apr 1 - May 1	
	Energy Charge 909 kWh at 0.10377	94.33
	Total Supply Charges	\$94.33

For questions on these charges, please contact this supplier at:



0-000-000-0000



SUPPLIER
CITY ADDRESS
STATE, ZIP

Delivery Details

Rate: A-16 Residential-Std Ofr

Customer Charge		6.00
RE Growth Program Chg		4.02
LIHEAP Enhancement Chg		0.79
Distribution Energy Chg	909 kWh at 0.06118	55.61
Renewable Energy Dist Chg	909 kWh at 0.02233	20.30
Energy Efficiency Programs	909 kWh at 0.01169	10.63
Transmission Charge	909 kWh at 0.04161	37.83

Total Delivery Charges **\$135.18**

The programs being reformed and rightsized in the Governor’s proposal primarily appear as charges in the “**Delivery Details**” section of the utility bill. However, certain policies, such as the Renewable Energy Standard, also contribute to costs embedded in the **Supply** portion of the bill.

We support legislation that would require these components to be clearly itemized, so Rhode Island residents can see transparently where each dollar of their utility bill is allocated.

RES: Aligning the Schedule with the Act on Climate

Currently, Rhode Island has the most aggressive RES schedule in the region, far outpacing Massachusetts and Connecticut. The Governor’s proposal smooths the compliance schedule without compromising long-term goals:

Even with this proposed update to the RES, Rhode Island’s schedule remains overall more aggressive than those of Massachusetts and Connecticut, requiring 75% from new renewables by 2050.

Connecticut. The approach mirrors recent, bipartisan legislation signed by Governor Lamont in July 2025 that similarly reduced Connecticut’s near-term RPS obligations.

- Connecticut’s 2025 law scaled back its RPS targets by lowering the 2026 requirement by 7 percentage points (from 32% to 25%) and the 2030 requirement by 11 percentage points (from 40% to 29%).

State	New Renewables / Class I Mandate by 2050
Rhode Island	98% (currently mandated by 2033)
Rhode Island (Governor’s Proposal)	75%
Massachusetts*	70%
Connecticut	29%

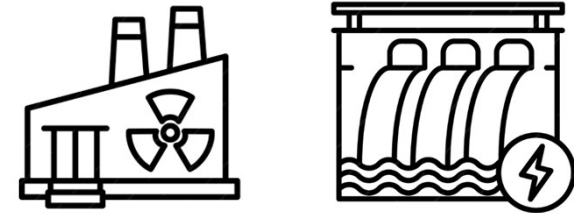
Under current law in MA, CT, and RI contrasted with the Governor’s proposal.

*The Massachusetts figure includes large-scale hydropower. Without it, MA would be at 60% in 2050.

RES: Taking Advantage of Lower-Cost, Zero Emission Resources

The Governor’s proposal expands eligible resources to lower costs for ratepayers by leveraging large-scale hydro and nuclear power, while remaining more aggressive than our New England neighbors in the use of new resources:

State	New Renewables	Existing + Clean	Timeframe for 'New'
Rhode Island (Current Law)	98%	2%	Post 12/1997
Rhode Island (Governor's Proposal)	75%	25%	Post 12/1997
Maine	60%	40%	Post 9/2025
Massachusetts	70%	~38%	Post 12/1997
Vermont	40%	60%	Post 12/2009
Connecticut	29%	8%	None
New Hampshire	15%	10.2%	Post 12/2005



Most states with RPS/RES programs rely heavily on lower-cost, clean resources to meet compliance obligations at significantly lower cost to ratepayers, while still achieving statutory emissions-reduction targets.

Despite an aggressive RES schedule, Vermont’s ratepayer compliance costs are lower because **more than 80% of its RES obligations are satisfied with lower-cost, large-scale hydropower resources.**

Sustainable Energy Advantage, LLC

RES: Alternative Compliance Payments (ACP) and Banking

Aligns ACP rates for new renewable resources with Massachusetts and Connecticut and establishes a new ACP for existing resources, with revenues split evenly between ratepayer relief and the Renewable Energy Fund:

ACP for New Renewables	Rate
Rhode Island	\$85/MWh
Rhode Island (Governor's Proposal)	\$50/MWh
Massachusetts	\$40/MWh
Connecticut	\$40/MWh

ACP for Existing Resources	Rate
Rhode Island	N/A
Rhode Island (Governor's Proposal)	\$12/MWh
Massachusetts	\$10/MWh
Maine	\$5/MWh

- Aligning alternative compliance payments with regional benchmarks. Rhode Island currently maintains a single ACP rate, which is set significantly above the comparable ACP levels in Massachusetts and Connecticut. These adjustments cap compliance costs and prevent ACPs from functioning as a binding price floor above regional norms.
 - **Clean Energy Investments.** The Governor recommends 50% of ACP revenue be dedicated to the Renewable Energy Fund for OER to invest in renewable energy, energy storage and electric vehicle investments, bringing more funds into local clean energy activities.
 - **Additional Ratepayer Relief.** The proposal dedicates the other 50% of ACP funds to be allocated back to ratepayers. This mirrors the approach taken by Gov. Moore in Maryland in 2025 and the existing structure in Massachusetts.
- Banking. The proposal also expands REC banking provisions, allowing suppliers to bank RECs for up to three years with no quantity limit, consistent with Vermont's approach. This added flexibility smooths compliance across years, reduces exposure to price volatility, and lowers overall REC procurement costs.

Reforming the State Energy Efficiency Program

- **Renewing for 10 Years and Capping Energy Efficiency Program:** Extend and cap energy efficiency programs by limiting ratepayer funding to \$75M annually (\$225M per three-year cycle), aligning per-capita spending with Connecticut and New York.

State	Annual EE/BE Budget (approx.)	Residential Customers (U.S. EIA)	Per-Customer	Population	Per-Capita
RI	\$96,000,000	457,383	\$210	1,097,354	\$87
CT	\$238,900,000	1,552,746	\$154	3,675,069	\$65
NY	\$1,000,000,000	7,669,131	\$130	19,867,248	\$50
<i>RI Proposed</i>	<i>\$80,000,000*</i>	<i>457,383</i>	<i>\$175</i>	<i>1,097,354</i>	<i>\$73</i>

**Assumes the proposed 2026 EE bond allocation is split between 2027 and 2028*

Saves ratepayers \$21 million in 2027, and \$105 million over the next five years.

Rationale for Reform of State Energy Efficiency (EE) Program

The EE program is nearly twenty years old, and as the market has matured and shifted, the corresponding cost burden placed on ratepayers warrants reevaluation:

- According to sworn testimony before the Public Utilities Commission, the EE program now costs more than two and a half times as much to deliver the same level of electric system value as it did a decade ago.
- This trend underscores the need to modernize the program through targeted reforms, new approaches, and right-sized investment levels to ensure ratepayer funding is directed toward the highest-value and most cost-effective outcomes.
- The Division supported \$21 million reduction of the 2026 EE Plan Budget:
 - Rightsized budget based on past spend of programs
 - Reduced administrative costs – training, sales, support, marketing, and reducing costs of home energy audits
 - Resulted in a more cost-effective EE Program for 2026

Cost per Dollar of Lifetime Electric System Benefits (Including Customer Contribution)	
2015	\$0.46
2016	\$0.50
2017	\$0.56
2018	\$0.63
2019	\$0.49
2020	\$0.52
2021	\$0.86
2022	\$0.94
2023	\$1.20
2024	\$1.28

Rhode Island Public Utilities Commission, Docket No. 25-37-EE, Attachment Division 3-1 (2025).

2025 data is not yet finalized.

Capitalizing Utility Paving Projects

Treating paving costs as operating expense is overly burdensome to ratepayers and inconsistent with FERC guidance:

- Returning to the long-standing utility accounting practice of spreading paving costs over a period of time rather than expensing them upfront is consistent with Federal Energy Regulatory Commission standards.
- FERC guidance for capitalizing utility projects requires capitalizing costs directly related to construction, including materials, labor, overheads, and interest.
- Paving costs have increased significantly over the last several years in response to the passage of the RI Utility Fair Share Roadway Repair Act that requires curb-to-curb re-paving for gas projects.



Saves ratepayers \$16 million in 2027, and \$60 million over the next five years.

Eliminating Bonus Utility Shareholder Payments

Shareholder incentives for signing contracts for renewable energy are unearned and unwarranted:

Long-Term Contracting

- An unnecessary “bonus” on top of amounts already collected by Rhode Island Energy to cover operating costs and earn a fair return.
- No credible evidence that RIE’s credit rating would be harmed for entering into a contract for renewable energy for which it is guaranteed full cost recovery
- Essentially a gratuity or tip for the utility’s cooperation in executing a contract for renewable energy that poses no financial risk to the company to advance state policy.

Require Utility be part of the RTO

- Utility companies also receives a bonus for voluntarily participating in ISO-NE.
- Mandating the company’s participation would eliminate the need for the incentive, saving ratepayers approximately \$158,000 annual.
- This provision is part of a coordinated effort by Consumer Advocates of New England – several states have enacted or are proposing a similar provision.