Acadia Center

Advancing the Clean Energy Future

Senate Commission to Study the Successful Implementation of the Act on Climate

February 11, 2026

Emily Koo

Senior Policy Advocate & Rhode Island Program Director

acadiacenter.org • info@acadiacenter.org • 207.236.6470 ext. 001

Boston, MA • Hartford, CT • New York, NY • Providence, RI • Rockport, ME

WHO IS ACADIA CENTER?

MISSION

Acadia Center's mission is to advance bold, effective, and equitable clean energy solutions for a livable climate and a stronger, more equitable economy.

PROGRAMS

Acadia Center focuses on six areas of climate and clean energy, within which we prioritize consumer benefits, public health, economic growth, and equitable distribution of benefits:

- **Next Generation Energy Efficiency: Make Our Buildings Healthy, Efficient, and Climate Safe**
- **Beyond Gas: Phasing Out Our Dependence on Fossil Fuels**
- **Utility Innovation: Reform Utilities and Energy Systems**
- **Transportation Climate and Equity Investments**
- **Clean Energy and Climate Pathways**
- **Public Engagement and Communications**

SUPPORT

Acadia Center is funded by foundation grants and individual donations. It does not accept corporate or government funding.

Acadia Center

KEY TAKEAWAYS

- Act on Climate hinges on clean energy
- Clean energy is affordable energy
- Don’t back down on Rhode Island’s clean energy future

Acadia Center

OVERVIEW

1. 2025 Climate Strategy
2. Governor McKee's FY 2027 Budget Proposal
3. Energy Cost Drivers
4. Rhode Island's Clean Energy Future

Acadia Center

1.
Act on Climate and the 2025 Climate Strategy

Acadia Center

ACT ON CLIMATE AND THE 2025 CLIMATE STRATEGY

Title 42
State Affairs and Government

Chapter 6.2
2021 Act on Climate

R.I. Gen. Laws § 42-6.2-2

§ 42-6.2-2. Purpose of the council.

(a) The council shall have the following duties:

(1) Assess, integrate, and coordinate climate change efforts throughout state agencies to reduce emissions, strengthen the resilience of communities and infrastructure, and prepare for the effects on climate change, including, but not limited to, coordinating vulnerability assessments throughout state government;

(2)(i) No later than December 31, 2025, and every five (5) years thereafter, submit to the governor and general assembly an updated plan, following an opportunity for public comment, that includes strategies, programs, and actions to meet economy-wide enforceable targets for greenhouse gas emissions reductions as follows:

(A) Ten percent (10%) below 1990 levels by 2020;

(B) Forty-five percent (45%) below 1990 levels by 2030;

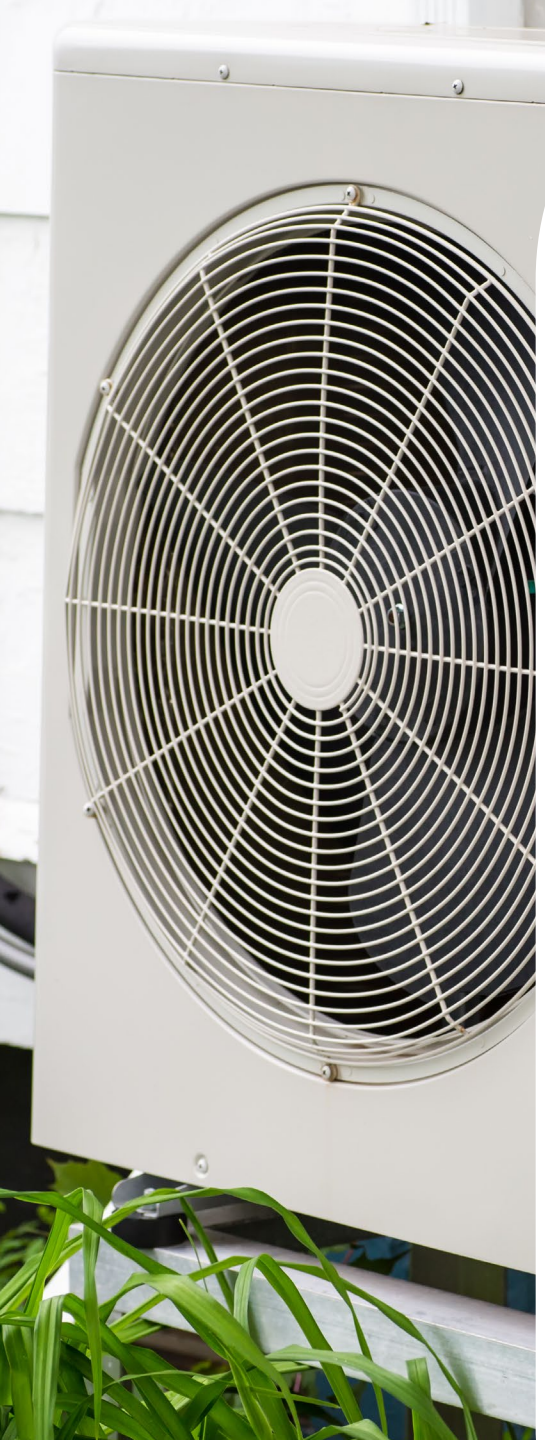
(C) Eighty percent (80%) below 1990 levels by 2040;

(D) Net-zero emissions by 2050.

SHORTCOMINGS OF THE 2025 CLIMATE ACTION STRATEGY

- Late and limited transparency on modeling and analysis and policy implementation
- No clear path to action or follow through
- Fails to establish sector-specific targets
- Heavy reliance on biofuels, ambitious EV and heat pump adoption
- Tone of defeat due to federal landscape

Acadia Center



WHY RHODE ISLAND MUST ACT ON CLIMATE

- **Investing in climate solutions pays off. The projected benefits to Rhode Islanders will substantially outweigh the costs.**
  - Healthier communities
  - Stronger economy and workforce
  - Resiliency to climate threats
  - Lower energy costs

- **Act on Climate scenario is expected to achieve ~$1.3B net benefits annually by 2050**

- **Cost of inaction would impose far greater burdens on RI communities and our economy**

Acadia Center

ACCOUNTABILITY TO CLIMATE STRATEGY

- Translating plans into action
- Whataboutism
- Ample tools within the state's control

Acadia Center

2.
Governor McKee's FY 2027 Budget Proposal

Acadia Center

GOVERNOR MCKEE'S FY 2027 BUDGET PROPOSAL

- Levies a substantial and punitive "grid access fee" and lowers compensation rates for large renewable energy projects
- Delays and weakens Rhode Island's nation-leading Renewable Energy Standard (RES)
- Caps Rhode Island's cost-effective energy efficiency programs

Acadia Center

UNDOING FOUNDATION OF CLIMATE STRATEGY

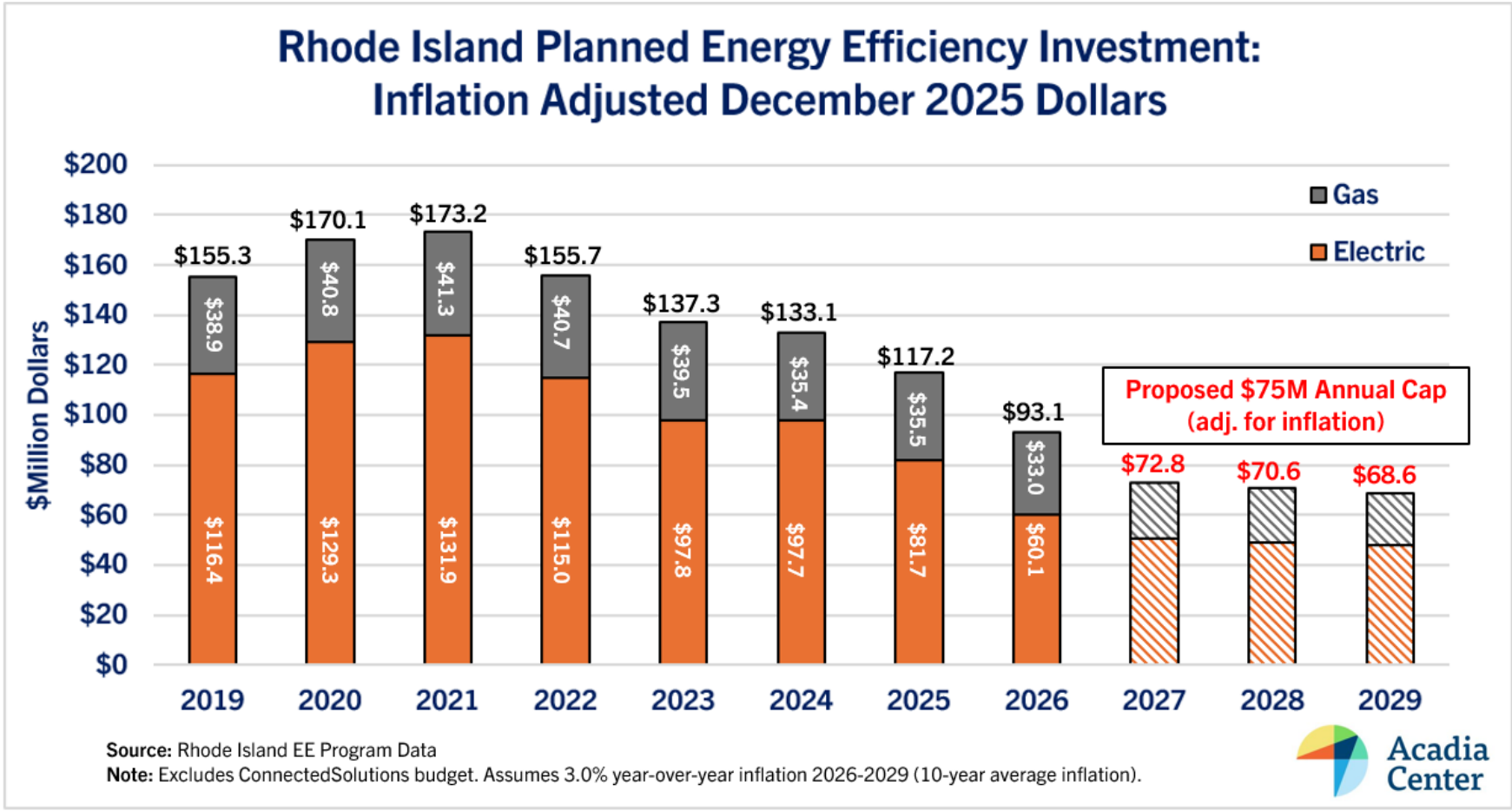
- Built on existing policies, including the 100% Renewable Energy Standard (RES) by 2033 and existing state energy efficiency and renewable energy programs
- Two-step process: (1) electrify buildings and transportation and (2) make electricity clean
- Eliminate electric-sector strategies, must scale transportation and building sector strategies

Acadia Center

PROPOSED EE CAP CRIPPLES CORE AFFORDABILITY PILLAR

"Energy efficiency is a longstanding pillar of decarbonization, as it can mitigate energy consumption, reduce utility bills, and manage peak electricity demand and system costs."

– RI 2025 Climate Action Strategy

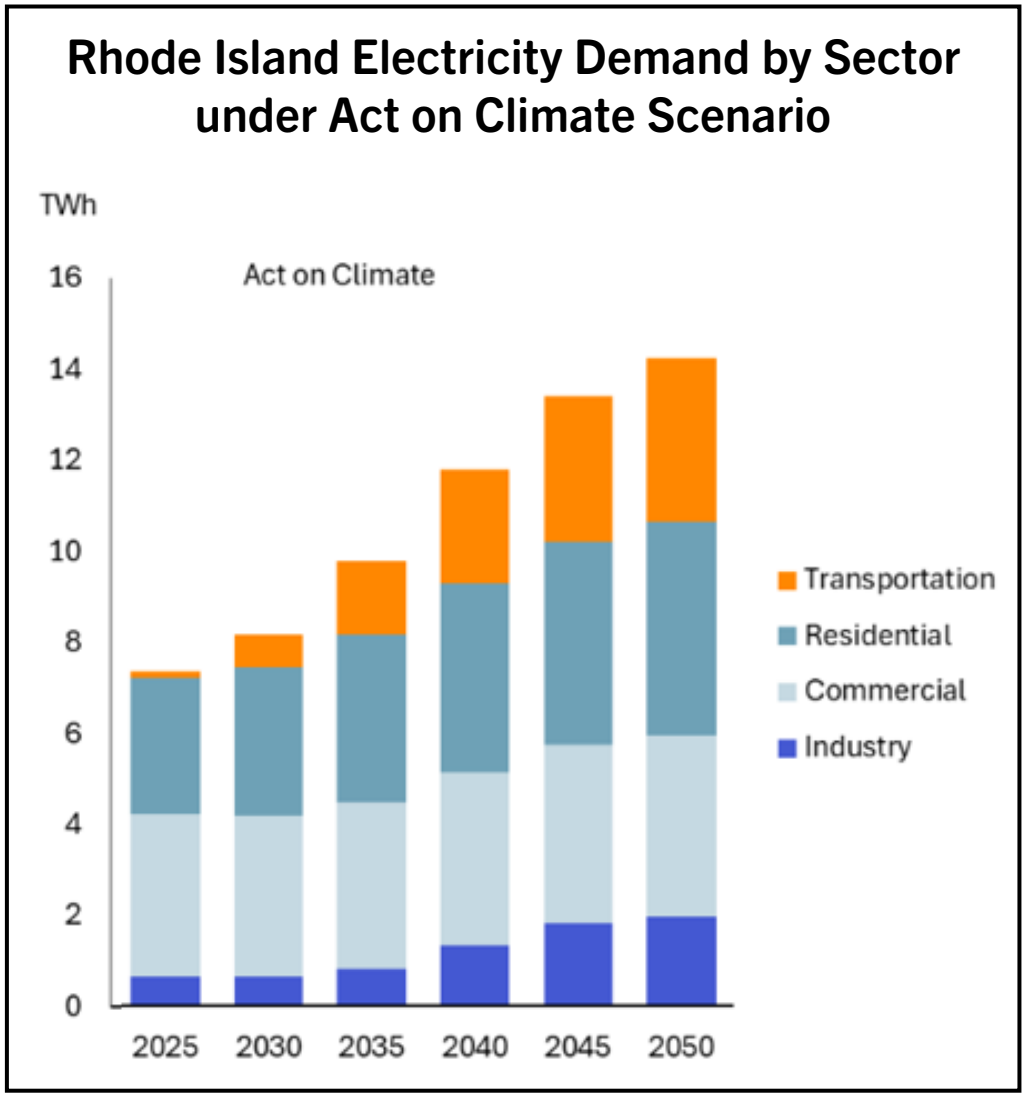


Acadia Center

RES ROLLBACK WOULD BE MASSIVE BLOW TO ENTIRE CLIMATE STRATEGY AND WOULD DRIVE UP ENERGY COSTS

- The RES is the lynchpin of Climate Strategy because it "unlocks" building and transportation sector electrification & emissions reductions

- Act on Climate scenario modeled 112% increase in electricity demand from 2025 - 2050



Acadia Center

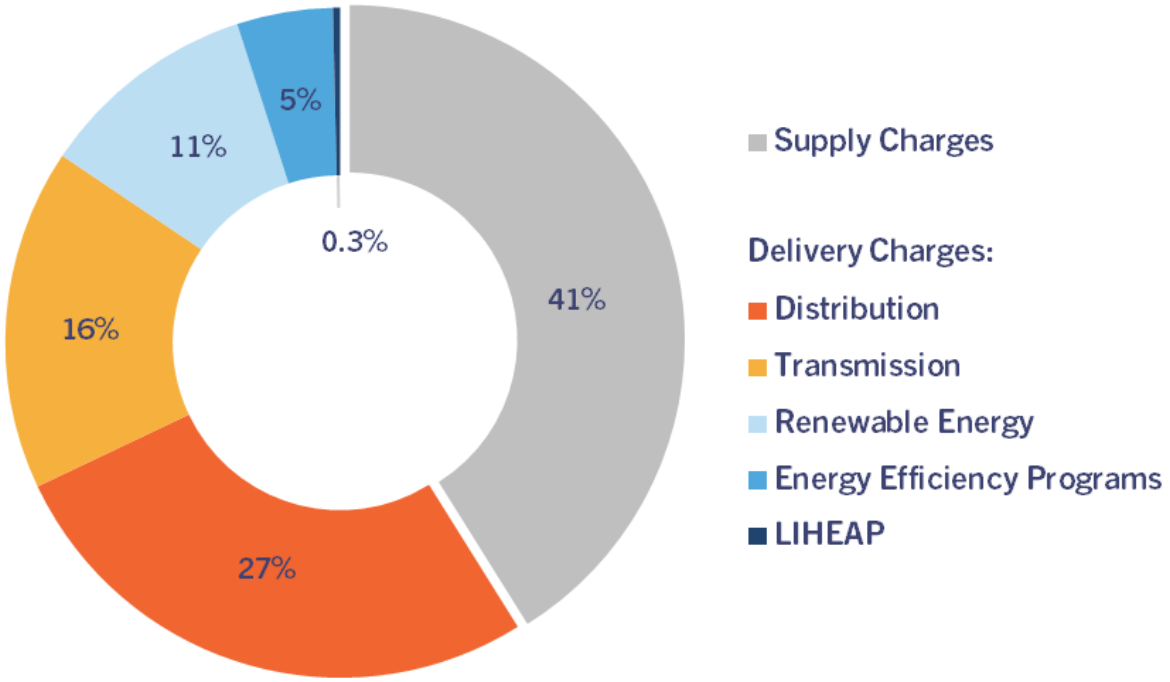
3.
Energy cost drivers

Acadia Center

PINNING THE BLAME ON "STATE MANDATES AND TAXES"

On an average bill, supply makes up 41%, and delivery makes up 43%.

Efficiency and renewable charges are not a major contributor to energy costs.



Source: Acadia Center analysis of Rhode Island Energy's Breaking Down Your Bill Guide.
Retrieved from https://www.rienergy.com/site/-/media/rie-jss-app/home/more/frequent-questions/about-your-bill/help-reading-your-bill/Assets/RIE-Breaking-down-your-bill-Guide.ashx

Acadia Center

ENERGY COSTS ARE DRIVEN BY MANY FACTORS

- Fossil fuels and volatile supply costs – gas
- Rising transmission & distribution costs, and failure to adopt low-cost technologies
- Utility business models and oversight
- Storms, trees, and aging infrastructure

Acadia Center

RELIANCE ON GAS DRIVES PRICE VOLATILITY

- **Gas power plants account for 55% of total electricity generation in New England**
  - Over half of RI homes rely on gas as primary heating source
- **In the winter, dual use of gas for both in-home heating and electric generation drives costs up**
- **Gas supply market prices are very volatile**
  - Weather events, global market shifts, prevalence of LNG exports
  - New England is particularly vulnerable
  - EIA expects **gas prices will increase 33% or more in 2026**
    https://www.eia.gov/outlooks/steo/

Acadia Center

REDUCE DEPENDENCE ON VOLATILE GAS SUPPLY TO HELP STABILIZE ENERGY BILLS

Average electric bill is 41% supply.

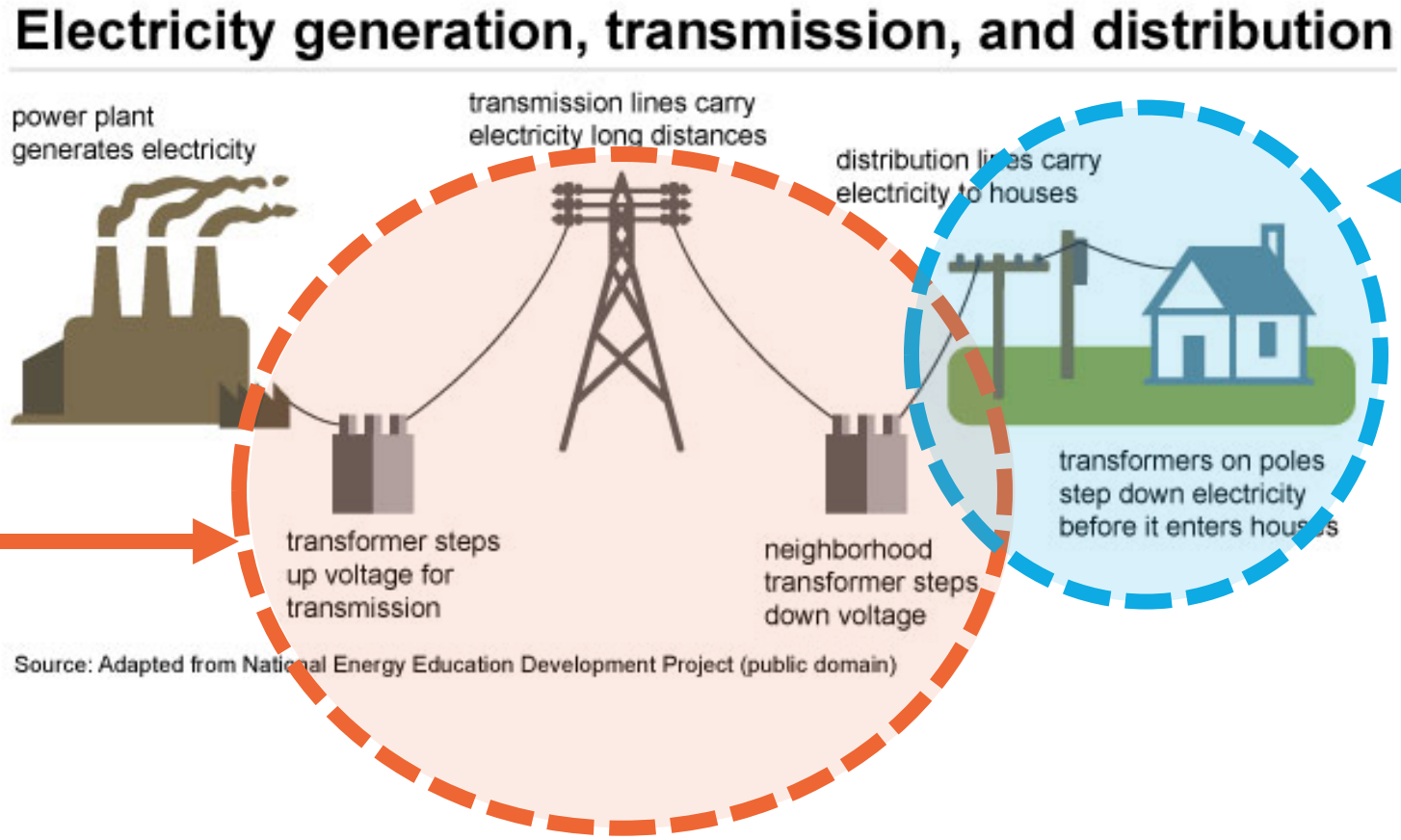
- **Move away from gas supply expansion as a cost-control strategy**
  - Gas supply has increased in the region, but prices remain high due to global LNG markets
- **Shift toward a more balanced generation mix to reduce exposure to fuel price volatility**
- **Invest in local clean energy to improve affordability, reliability, and resilience**
- **Leverage municipal aggregation to secure more stable and transparent energy pricing than third-party suppliers**

Acadia Center

TRANSMISSION AND DISTRIBUTION COSTS ARE RISING

Transmission **spending is growing** in New England

From $58M in 2016 to nearly $800M in 2023 on upgrades and rebuilds



Distribution is the largest source of **utility capital spending**

Increased 50% between 2019-2023

NESCOE asset conditions letter. 8 February 2023. https://www.iso-ne.com/static assets/documents/2023/02/2023_02_08_nescoe_asset_conditions_letter.pdf

Lawrence Berkeley National Laboratory. "Retail Electricity Price and Cost Trends, 2024 Update." 2024 December. https://eta-publications.lbl.gov/sites/default/files/2025-01/retail_price_and_cost_trends_2024_update_final_v3.pdf)

Acadia Center

REIN IN RISING TRANSMISSION & DISTRIBUTION (T&D) COSTS

Average electric bill is 16% transmission and 27% distribution.

How T&D Costs are Set

- ISO-NE (FERC) approves transmission costs
- PUC oversees distribution costs, what is prudent, allowed profits, and what is passed on to ratepayers
- Rhode Island Energy controls cost data and narrative

Ways to Influence T&D Costs

- Enable state siting boards to add scrutiny and suggest cost-saving measures of transmission upgrades and construction
- Expand stakeholder participation in regulatory proceedings
  - Provide intervenor compensation so organizations can hire experts and challenge RIE's assumptions

Acadia Center

OTHER UTILITY-BASED DRIVERS OF ENERGY COSTS

- **Investor-owned utilities earn returns on capital projects**
  - Creates incentive to build expensive new infrastructure
  - Costs get passed on to ratepayers
  - Limited incentive to deploy low-cost solutions
- **Storm response and grid repairs drive additional costs**
  - Aging infrastructure increases maintenance needs and vulnerability
  - More frequent severe weather, including hurricanes and rainstorms, adds risk
  - New England's heavily forested landscape exposes lines to storm damage

Acadia Center

3.
Rhode Island's Clean Energy Future

Acadia Center

Two Dueling Futures

EMBRACE CLEAN ENERGY

- Local clean energy resources generate affordable electricity and create good union jobs
- Balanced generation mix reduces exposure to volatile gas supply
- Reduced demand lowers delivery and supply costs
- Healthier communities
- Meet 2033 climate targets due to electric sector strategies

OR

SCALE BACK CLEAN ENERGY

- Continued reliance on gas, gas prices go up
- Exposed to price shocks of volatile gas supply
- Less efficiency means more energy waste, and paying for that much more supply and infrastructure
- Rhode Island's clean energy economy has been gutted, solar and battery developers, energy efficiency contractors leave the state
- Ratepayers have limited tools to turn to to reduce their energy bills or generate their own electricity

Not addressed

1. Transmission and distribution costs rise
2. Storm response and grid repairs drive additional costs
3. Utility not incentivized to deploy low-cost solutions

Acadia Center

CLEAN ENERGY IS STABLE, AFFORDABLE ENERGY

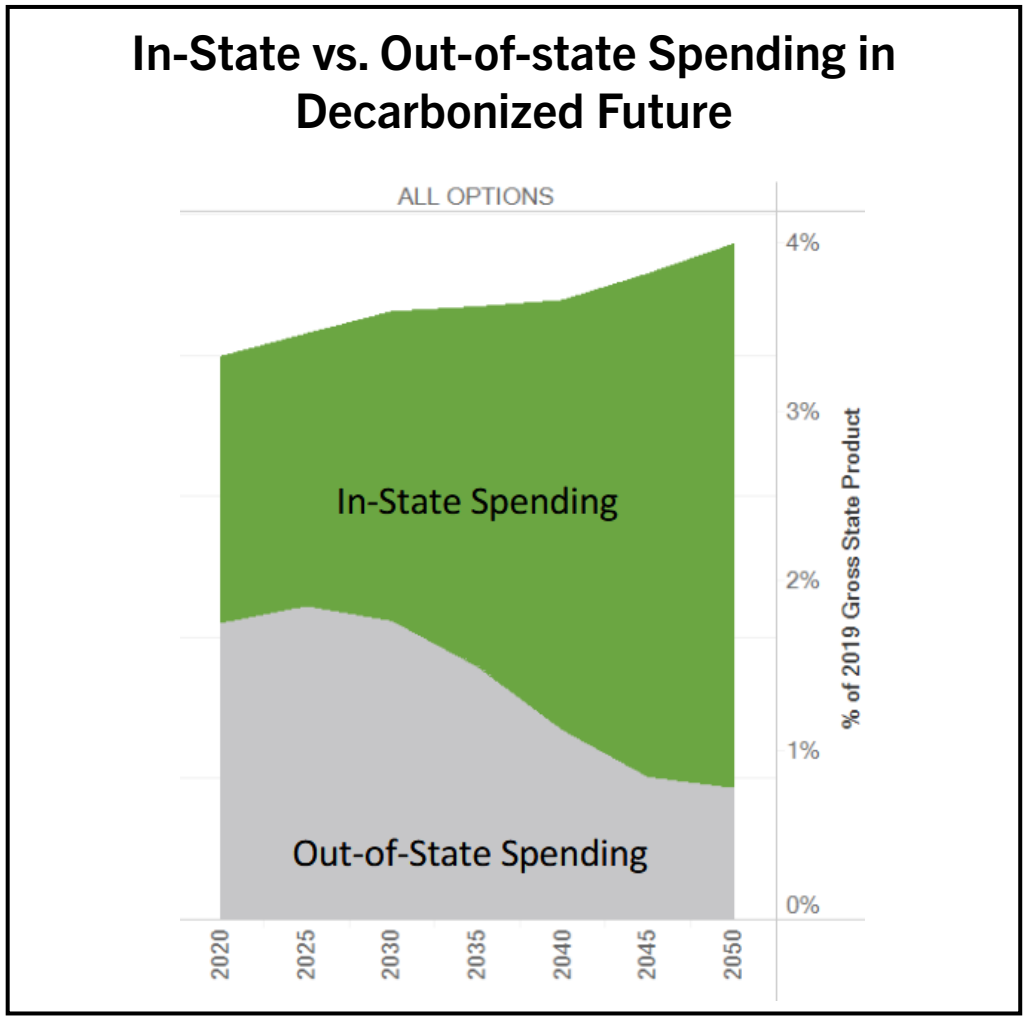
- Renewables on our regional grid lower wholesale electricity prices for everyone
- Efficiency, solar, batteries reduce how much power we need during expensive peak hours
- Mitigate exposure to and overreliance on volatile fossil gas
- Renewable energy costs have fallen dramatically – and gas costs are going up
- Solar and storage among fastest, most affordable ways to add new power

Acadia Center

CLEAN ENERGY KEEPS MONEY IN RHODE ISLAND

- Analysis in Mass. Decarbonization Roadmap shows clean energy transition causes large shift in spending from imported fossil fuel to local investment

- Leads to total economic output returns of greater than $3 per $1 spent

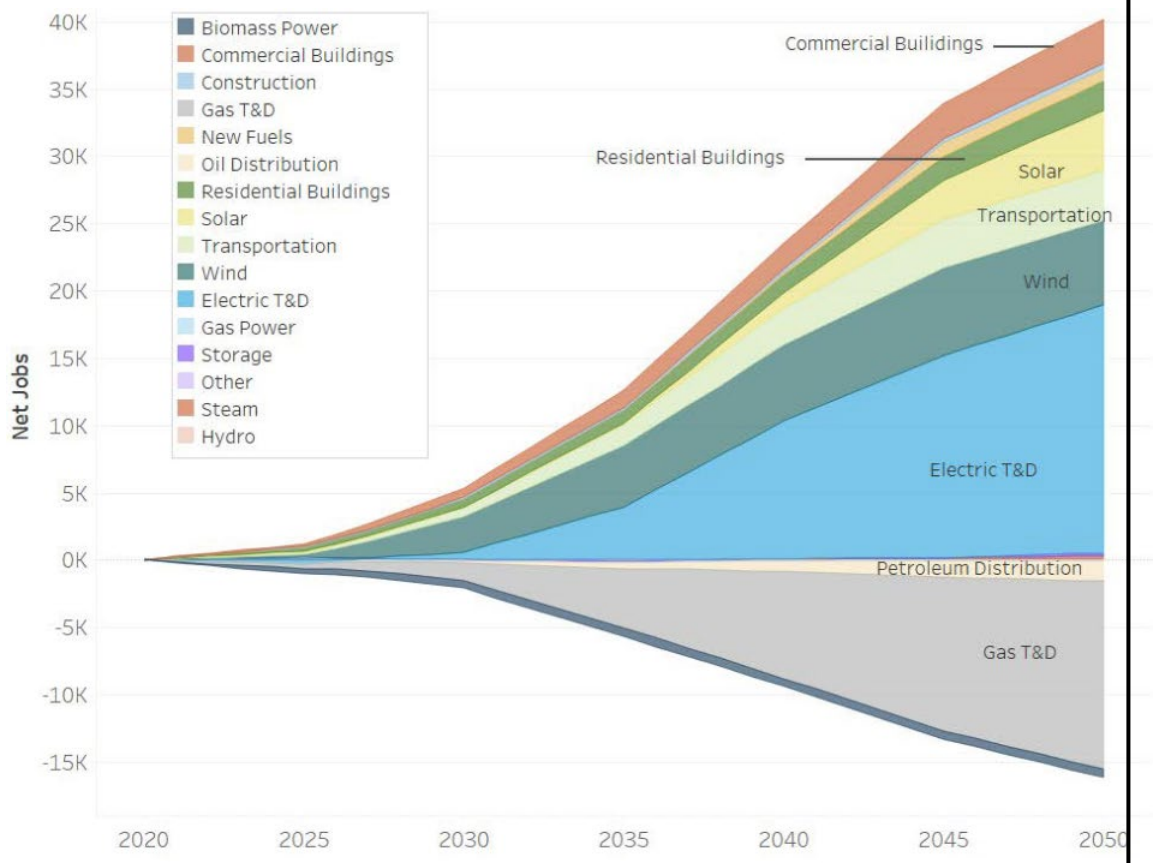


Acadia Center

CLEAN ENERGY TRANSITION CREATES JOBS IN RI

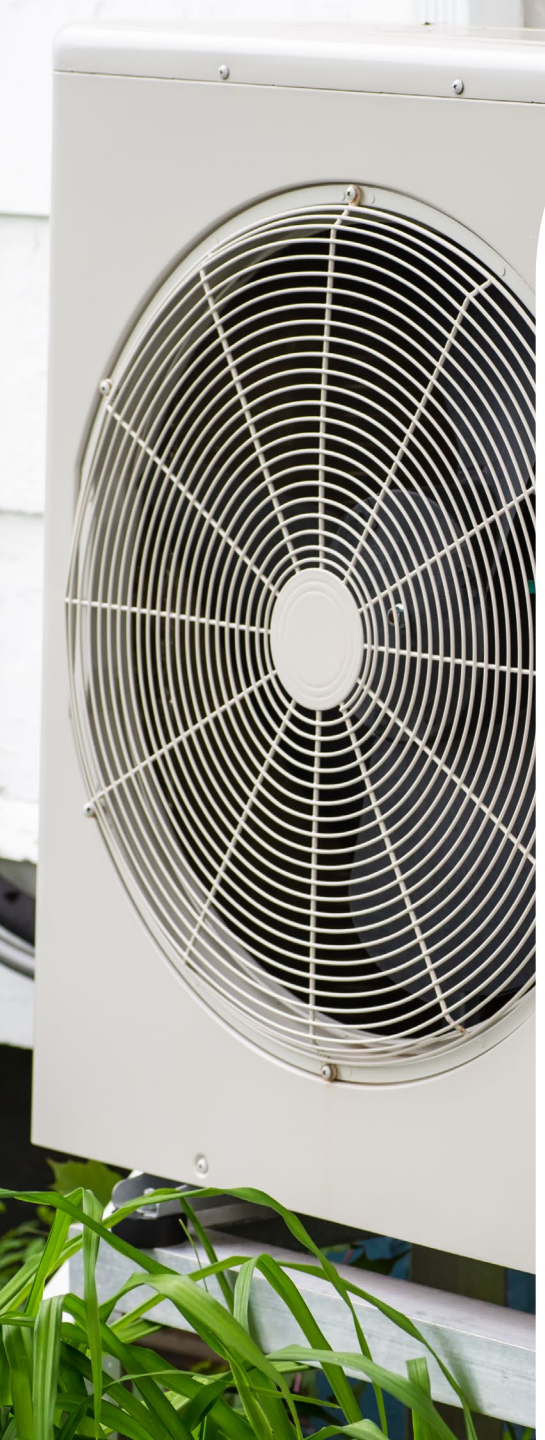
- Mass. Decarbonization Roadmap analysis shows job gains outpace job losses by a factor of about 2.5 to 1 in the transition to a net zero economy by 2050
- Rhode Island's economy is projected to add more than 6,600 new jobs by 2035 if the state stays on track to achieve climate targets

Net Change in Jobs by Year in Decarbonized Future



Source: Mass. 2050 Decarbonization Roadmap Study

Acadia Center



ADDITIONAL SOLUTIONS TO JOINTLY LOWER EMISSIONS AND ENERGY COSTS

- Influence transmission and distribution spending
- Virtual power plants, demand response
- Joint supply procurements
- Time-varying rates, heat pump rates
- Municipal aggregation

Acadia Center

KEY TAKEAWAYS

- Act on Climate hinges on clean energy
- Clean energy is affordable energy
- Don't back down on Rhode Island's clean energy future

Acadia Center

Acadia Center

Advancing the Clean Energy Future

FOR MORE INFORMATION:

Emily Koo, ekoo@acadiacenter.org
401-276-0600 x402

Sign up: acadiacenter.org/join