



**Senator Robert Britto, Chair**  
Senate Committee on Commerce  
Rhode Island Senate

**March 10<sup>th</sup>, 2026**

**RE: Green Energy Consumers Alliance Opposes Senate Bill 2346.**

Dear Chair Britto and members of the committee,

On behalf of Green Energy Consumers Alliance and our thousands of members across Rhode Island, **I write in opposition to Senate Bill 2346** which would create sales tax exemptions for qualified data centers.

**Support for Requiring Renewable Energy and/or Energy Storage System Investment**

Green Energy Consumers is generally in support of the requirement in S2346 that would require qualified data centers to invest a minimum of \$10M in a renewable energy resource or energy storage system, as defined under state law. However, we do not know if that figure of \$10 million is the proper number given that it would apply to all large data centers, regardless of actual energy usage.

**Potential for Adverse Impacts of Large Data Center Developments**

Green Energy Consumers does not favor tax incentives for data centers. Through studying the development of data centers around the country, we feel that there are potentially large adverse impacts on ratepayers, infrastructure, and the environment. These concerns must be adequately weighed before supporting the development of new data centers, particularly when considering legislation that would provide them with incentives to build in Rhode Island. Additionally, tax exemptions would erode the state's tax base, which would put pressure on the general fund and on all other taxpayers.

Adverse impacts extend beyond tax implications. To strengthen a commitment to using clean energy, there should be a requirement against the use of fossil fuel generation for regular or back up energy use. At a time when the state is looking to meet Act on Climate emissions reductions requirements, providing explicit guidance against the development of fossil fuel resources is critical.

**Recommendation for Study Commission to be Formed.**

At this time, Green Energy Consumers believes the best path for responsible data center development would be through the formation of a study commission. This commission could evaluate the development of data centers nationwide, with an emphasis on regional facilities to understand the potential for growth in Rhode Island. Additionally, this study commission should evaluate the methods for data centers building their own generation capacity on site, or through investments in projects throughout the state, to ensure that the increased energy demand coming

from these facilities is met through clean energy and would not impose infrastructure cost burdens on other ratepayers. This commission should include representatives from the Office of Energy Resources, Public Utilities Commission, Division of Public Utilities and Carriers, and stakeholder organizations that have energy expertise.

Green Energy Consumers Alliance urges the committee to reject Senate Bill 2346 as currently drafted and consider the formation of a study commission to evaluate criteria important for protecting Rhode Islanders and the environment as it relates to the development of new data centers in state.

Sincerely,

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**Green Energy Consumers Alliance**  
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