

March 10, 2026

The Honorable Robert Britto
Chairman, Senate Commerce Committee
Rhode Island State House
Providence, Rhode Island 02908

RE: S-2427 & S-2776 – Acts Relating to Public Utilities & Carriers – Data Centers

Dear Chairman Britto:

On behalf of Rhode Island Energy, thank you for the opportunity to comment on S-2427 and S-2776, which address electric service and cost allocation for large data centers and other large energy use facilities.

Rhode Island Energy provides essential energy services to more than 770,000 customers across the Ocean State through the delivery of electricity and natural gas. Our team of 1,300+ union and non-union employees is dedicated to helping Rhode Island customers and communities thrive, while supporting the transition to a cleaner energy future in a safe, reliable, and affordable manner.

We appreciate the Senate's attention to the onset and growth of data intensive facilities and the important questions these developments raise for system planning, cost causation, reliability, and fairness to all customers. Both bills would establish new regulatory frameworks governing how large data center loads are planned for, served, and allocated within the electric system. These matters are complex and have long-term implications for the electric system, transmission and distribution ratepayers, and the state's clean energy and economic development objectives. We also note that policymakers in other jurisdictions are actively grappling with similar issues related to large data center loads and that best practices in this area are still evolving.

Rhode Island Energy respectfully recommends that additional time be given to evaluate the proposed legislation and its interaction with existing regulatory frameworks. In particular, we believe careful consideration is warranted with respect to the following issues:

- **Transmission system impacts:** Both S-2427 and S-2776 would apply to facilities with significant electric demand, which may require substantial transmission level planning, upgrades, or coordination with regional systems. Understanding the scope, timing, and allocation of these investments is essential to maintaining system reliability and managing costs.
- **Development of new tariffs or rate classifications:** The creation of dedicated rate classes, tariffs, or other cost recovery mechanisms for large data centers raises important questions regarding cost causation, administrability, and long-term regulatory clarity. Additional analysis would help ensure that any new rate structure(s) appropriately reflect the costs of service.
- **Use of special contracts, including those that may incorporate clean energy considerations:** We believe further evaluation is needed to understand how such contracts could be

structured to support clean energy objectives while maintaining reliability and protecting other customers.

- Protection against cross subsidization: Rhode Island Energy agrees with the principle that costs *exclusively* attributable to serving large data center loads should not be subsidized by other distribution ratepayers. Careful consideration is warranted to ensure that mechanisms intended to prevent cost shifting are effective and aligned with existing ratemaking principles.
- Transmission capability and system readiness: Evaluating the electric system's ability to reliably serve large incremental loads – including the sequencing of transmission and distribution upgrades and related operational considerations – is critical, particularly given the scale of facilities contemplated under the proposed legislation.

Given the technical and policy dimensions of these topics, Rhode Island Energy believes that a deliberate, transparent process that includes further study, stakeholder input, and coordination with the Public Utilities Commission (PUC) and Division of Public Utilities and Carriers (DPUC) would best support informed decision making.

We look forward to continuing to work with the General Assembly, state agencies, and stakeholders as this discussion progresses, and we remain committed to providing reliable, affordable, and sustainable electric service for all Rhode Island customers.

Thank you for your consideration of these comments.

Respectfully,



Nicholas S. Ucci
Director of Government Affairs

CC: The Honorable Members of the Senate Commerce Committee
The Honorable Louis P. DiPalma, Rhode Island Senate
The Honorable Pamela J. Lauria, Rhode Island Senate